THE FINANCIAL TIMES, July 27, 1971

FINANCIAL TIMES

No. 25,515 Tuesday July 27 1971 ** 6p

News Summary

GENERAL

Sudan rebel leaders dead

Col. Babikir el Nour and Major Farouk Hamadallah, accused leaders of the abortive coup against Sudanese President Nimairi, have been executed by firing squad, Omdurman Radio declared officially last night.

Earlier in the day, two other rebel Army officers were reported to have been shot, and a Leftist union leader hanged, bringing the total number of executions to 13.

El Nour's wife, Khansa, was boarding a jet at London for Khartoum to make a final plea for her husband when news of his death reached her. She decided to go, regardless.

Meanwhile, Communist Party chief Abdel Khalek Mahgoub, was taken prisoner in a house in which he had sought shelter in an Omdurman suburb. Wholesale arrests of suspected Communists continued, although some of the 1,000 or so detained were allowed to go free. Page 9

Apollo 15 speeding to Moon

Apollo 15 blasted out of earth orbit yesterday evening on the longest, most complicated, and most scientific moon mission yet undertaken. With the exception of a minor fault in a valve, all initial phases of the flight went perfectly, including the separation of the Command Module Endeavour, from the rocket's third stage and its docking with the lunar module, Falcon. It was at this point that Apollo ran into trouble when six attempts were needed to complete the link-up.

The record weight, 53-ton, spacecraft carrying astronauts Alfred Worden, James Irwin and mission commander David Scott ... s the four-wheel battery car ... ich they will cover miles of ... moon's surface—will reach ... orbit on Thursday. Scott ... Irwin are due to land Falcon ... by a mountain range and ... p rill at 2315 BST on ... y.

...lb. Ulster bomb

...xplosive device containing ... of 234 lb of gelignite— ...h to demolish large ...red vehicles—was uncov... by troops a few miles from ... Irish border west of ...nderry.

...nwhile, detectives were ...igating an advertisement in ... Bristol newspaper which ...ed to seek mercenaries for ...er.

...ss 'take-over'

...t 40 people who said they ... members of the Herut ...ist organisation took over ...s London bureau for a short ...od last night. They said ... had sent a telex message to ... Kremlin calling on the ...rnment for the release of ...t 100 Jews held in Russia. ... demonstrators left peace... when police arrived.

...a triumph

...sh sailor Nicolette Miles... ...er was being escorted into ...ort, Rhode Island, by a U.S. ...guard vessel after becoming ... first woman to sail the ...tic alone. She left Wales ...s ago.

...efly ...

...et: England start the First ... final day 136 ahead of ...s 313 after registering a ...d innings 145—5 yesterday. ...12

...oon Nadine hit Taiwan with ...mph winds, killing at least ... people, three of them in ...n blown off a bridge.

...quake, believed the world's ...est for seven years, hit New ... and New Ireland, causing ...read damage but, appa... no deaths.

Sealink cross-Channel ... were cancelled—and more ...ely to-day and to-morrow ...use of a dispute involving ... Railways ships' officers.

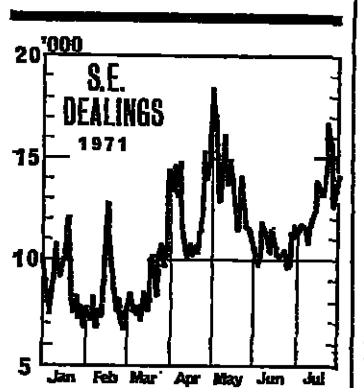
...asualties were reported ... police fought demonstra... the construction site of ...s second airport.

BUSINESS

Late rally in equities

● LONDON EQUITY leaders were hesitant until late trading when the index moved up to end 2.3 up at 408. In second-rank shares Cunard rose 12p to 212p on Mr. Maxwell Joseph's plan. Doxford lost 17p on adverse comment but ended a net 7p off at 43p.

● DEALINGS reached 14,220 but were well down on the previous Monday's 16,817. The



F.T.-Actuaries All-Share index rose 0.8 per cent. to a new peak of 181.30.

● GILTS had closing gains of up to ¾ in mediums and longs.

● THE £ lost 5/16c at $2.41 11/16; Euro-dollars were in month-end demand.

● GOLD dropped 30c on profit-taking but Continental industrial demand aided a rally to $41.80, a net 5c up.

● WALL STREET'S index ended 1.09 up at 888.87.

● STATEMENT ON ROLLS-ROYCE'S RB-211 engine is to be made before Parliament rises on August 6, Mr. Corfield Aerospace Minister, has told MPs. Asked for an assurance that work would go on beyond August 8, the date set for reviewing the project, Mr. Corfield said it was still a matter for consultation with other parties. Back Page

In the U.S. Senate an attempt to shorten the debate on loan guarantees (including Lockheed's) failed by 42-47 in a vote for a closure, which needs a two-thirds majority. Another try will be made to-morrow.

● ITV ADVERTISING revenue rose nearly 14 per cent. in 1971's first six months to £52.3m., a record for the half. This followed changes in advertising rate structures, which included a few higher charges. Rates go up by a 9 per cent. average in the autumn. Back Page

Davies gets UCS plans

● REPORT ON UPPER CLYDE Shipbuilders' future, from the four-man committee, was last night handed to Mr. John Davies, Trade and Technology Minister. It is expected to recommend hiving off part of the company and concentrating shipbuilding in a smaller unit. A union delegation earlier left Mr. Davies, it was said, without being given hope that the Government "could meet Scotland's serious unemployment situation." Back Page

● STEPS TO BOOST JAPAN'S cooling economy by infusing $556m. are expected to be published to-day. Public works loans are likely. Interest rates may be trimmed. Page 9

COMPANIES

● DOWTY GROUP, with pre-tax profit of £5.03m. (£4.62m.), plans equity financing, probably by a rights issue of convertible loan stock. Final of 5¼ per cent. again makes 10¼. Page 19; Lex

Alfred Herbert has an £828,000 first-half loss (against £811,000 profit). No interim (same). Liquidity continues to improve. Page 19; Lex

Howard and Wyndham offers £1.75 for each of the 60,000 shares in Oxford Theatre, owning the New Theatre, Oxford, besides properties and investments. Page 20

Honour-bound to accept, Lords told

George-Brown hits at Wilson's views on Europe

BY JOHN BOURNE, LOBBY EDITOR

Lord George-Brown, the former Labour Foreign Secretary, yesterday passionately challenged Mr. Harold Wilson's judgment of the meaning of their joint tour of Europe in 1967 which led to the Cabinet's decision to apply for British membership of the Common Market.

Speaking to the House of Lords in a packed debate on the Government's EEC White Paper, he said: "I assert there can be no gainsaying the joint and collective responsibility of the two Ministers then carrying the major responsibility. There can be no gainsaying that the issues covered in this White Paper are the ones we ourselves identified as being the main issues.

"There can in my view be no gainsaying either that the terms negotiated and recommended in this White Paper are in line with the terms we were prepared for.

"There can be no gainsaying either that, while the Labour Cabinet's decision was clearly *reserved until they saw the outcome*, those of us responsible in my view would have been bound in honour and every other way to recommend these terms or something not significantly different unless we—or one of us—had never meant the exercise seriously in the first place."

Lord George-Brown's last comment—with his pointed aside about "one of us"—was not lost on the Lords, nor on the Labour MPs in the Commons who heard about it afterwards.

It is being interpreted at Westminster not as a frontal attack

Debates in Lords and Commons Page 8

on Mr. Wilson—these have been banned in the Labour Party since the traumatic events of last week—but as a firm repudiation of Mr. Wilson's version of the last Labour Government's attitude to its application to join the Common Market.

Lord George-Brown's remarks will not make Mr. Wilson's task any easier. The speech was peppered with digs at his leader. "Other people do not seem to be able to expound their views on the Common Market without dragging me into the subject," he said.

"Last night, so the papers informed me, Mr. Wilson declared on television that I was a dedicate European wililng to go in on almost any terms, whereas he was in favour of joining only on the right terms.

"I would have said that this was both a collection of the most emotive terms you could possibly use about the other party while—as always—giving himself the benefit of any doubts going." The Tory and cross-bench peers laughed at this point.

Lord George-Brown then went on: "On the contrary, the other day in the Commons, Mr. Wilson occupied columns of Hansard with hitherto confidential quotes to show that I made the harsher, the tougher noises on New Zealand. Somehow it doesn't seem to me that both these things go—and only a few days between them. It is a bore to be continually putting the record straight on the events of 1967, a bore to the one who does it

Continued on Back Page

Joseph and Forrester may form Cunard-bid syndicate

BY SANDY McLACHLAN

MR. MAXWELL JOSEPH yesterday raised the possibility of forming a syndicate to bid for Cunard to rival the 200p-a-share offer from Trafalgar House Investments. Mr. Joseph said the nucleus of such a syndicate would be himself and fellow millionaire Cunard director Mr. Donald Forrester.

The matter was discussed on the telephone by the two men yesterday afternoon and Mr. Forrester indicated that he would be interested in joining such a syndicate.

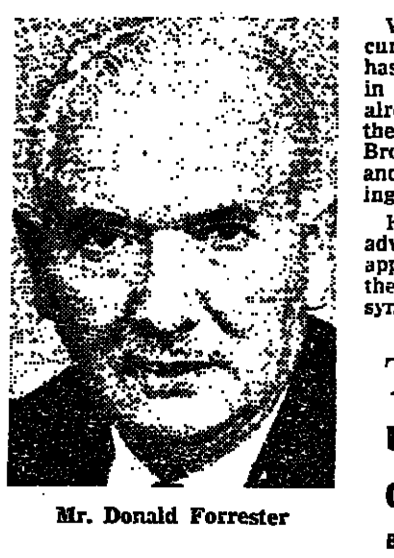
Still buying

Mr. Joseph and Mr. Forrester are continuing to buy Cunard *shares in the market at above* the Trafalgar offer price. Their activity yesterday gave the shares a further boost to finish at 212p, a gain of 12p over Friday's closing price.

Mr. Joseph said that in his opinion 250p a share should be the minimum price to be paid for Cunard. This would value the company at £32½m.—against the £26m. value of the existing Trafalgar House offer. Mr. Joseph admitted that his syndicate, if he decided to form one, would have to offer cash. Both he and Mr. Forrester feel that they could interest sufficient friends and business acquaintances to raise the money.

What Mr. Joseph would not say is who the other potential members might be, or in what circumstances he would form the syndicate. "I have not seriously considered it yet." he said.

Asked about the logic of a



Mr. Donald Forrester

syndicate bid Mr. Joseph commented that everyone assumed a bid from an outside company was neccesary to use the free depreciation and tax losses in Cunard. "But this it not true," he added. "Cunard could use them itself. It could sell loss-makers and buy profitable companies."

No hurry

The Cunard Board is still in dicussion with its financial advisers, S. G. Warburg, and they are working jointly to draft the defence document. It seems that Warburg still feels that there is no need for haste and the document is unlikely to appear this week.

With the share price at its current level Trafalgar House has been forced to stop buying in the market. With its offer already posted it is waiting for the Cunard reaction. Mr. Nigel Broackes, chairman of Trafalgar, and Mr. Victor Matthews, managing director, are abroad.

Kleinwort Benson, financial advisers to Trafalgar, did not appear yesterday to be taking the threat of a counterbid by a syndicate too seriously.

TUC planning unemployment demonstrations

By Our Labour Reporter

THE TUC is to organise a series of demonstrations in October and November this year against the high level of unemployment.

Discussions are going on with the Scottish TUC and the Northern Ireland committee of the Irish Congress of Trade Unions about the possibility of them organising similar demonstrations.

The protest will end with a rally in London and a lobby of Parliament. Mr. Vic Feather, TUC General Secretary, said yesterday: "These will not be demonstrations by unemployed people but demonstrations by trade unionists against the level of unemployment."

Car sales spurt after tax cuts

BY DAVID WALKER

CAR SALES have rocketed since the purchase tax cuts and easier hire purchase terms announced a week ago. In some cases, dealers reported yesterday, business rose by 50 per cent. above the previous week in what was a normally comparatively slack period of the year.

There had undoubtedly been some holding back by prospective purchasers in anticipation of the mini-Budget, making sales in the days before the Chancellor of the Exchequer's announcement abnormally low.

Even so, there is now no doubt that trade is running well above normal levels for this time of year, particularly so far as used vehicles are concerned.

According to leading dealers, the results have not yet been so evident in the new car sector, although considerable growth there, too, has been recorded. It seems likely to be another week or two before major improvements come, with the demand picture distorted because of the registration plate suffix letter changes on August 1.

That, as in past years, is bound to unleash a flood of additional inquiries from would-be buyers hoping to slow down the depreciation rate of their vehicle.

Bank loans

Since Monday of last week, Hire Purchase Information stated last night, credit deals on all cars, new and secondhand, have been running at a daily rate 15 to 20 per cent. higher than the average for the first two weeks of the month.

That alone does not necessarily give a true picture, since personal bank loans, not included in the HPI figures, are becoming an increasingly common means of financing car purchase.

Bristol Street group, the Birmingham-based motor traders, revealed that sales of new cars were 50 per cent. higher than in both the previous week and the corresponding period of last year. At the same time, the company stressed, that was an advance on two very low figures.

Trade in used vehicles had advanced by 28 per cent., and that improvement was expected to continue.

In London, Stewart and Arden (Henlys' Morris-dealing subsidiary) commented that the Chancellor's measures had "certainly livened things up." There had been a substantially increased flow of used car inquiries, enabling the company to make better bids for vehicles offered in part exchange. That would automatically lead to a boost to new car trade.

"Last week was a good sales week, but we expect next week to show the real benefit," Stewart and Arden declared.

Henlys group described business as "most satisfactory." On both secondhand and new vehicles, there had been a move forward in volume terms.

"We are coming to the end, as it were, of the high season. It is very encouraging to see that this kind of high season has been re-boosted," the company stated.

Mann Egerton, too, reported that there had been some advance, with the improvement likely to gather momentum as time goes on. "Things are definitely going in the right direction." it added.

Guinness sells Crookes to Boots

By Kenneth Gooding

ARTHUR GUINNESS SON AND CO., the brewery concern, is virtually quitting the pharmaceutical business, into which it diversified 10 years ago, by selling Crookes Laboratories and Crookes Anestan for more than £2m. cash.

The buyer of Crookes, which, apart from the famous halibut liver oil capsules, also handles the Arvin anti-coagulant and, on the toiletries side, Femfresh deodorants, is Boots Pure Drug Company.

Guinness has not had much success with its pharmaceuticals division which, last year, made losses of £200,000 on sales of £10m.

The chairman, Lord Iveagh, said the main problem was the support which had to be given to the research companies in the group, and Guinness earlier this year closed the research laboratories at Twyford, and established a small unit in the Crookes factory at Basingstoke.

Guinness maintained last night that the Crookes companies had "significantly improved" their profitability during the last two years, and continued to do so.

Research

But, in current conditions, the growth of the companies would be slow because "the research and development and launching of new drugs on which growth in this field depends require ever increasing resources which can best be met within a large organisation geared mainly to the pharmaceutical industry."

Boots takes about one-third of the output of Crookes Anestan, the toiletries part of the Crookes concern, and the deal will give Boots more manufacturing and marketing facilities for Crookes has two factories—at Dublin as well as at Basingstoke—three sales forces, and a marketing network overseas.

Guinness will, for the time being, keep a toehold in pharmaceuticals by retaining its 50.4 per cent. stake in J. L. Morison Son and Jones Holdings.

Spanish hotel bookings row

By Arthur Sandles

A ROW developed last night between U.K. tour operators and the Spanish Government over who is to blame for sending British tourists to hotels which were already full. There have been reports of serious "over-booking" in Spain affecting U.K. package tourists.

The Spanish National Tourist Office said a preliminary investigation showed that the over-booking "was generated in Britain. However, if any other investigation shows a single case is proved after a complaint is received, severe sanctions will be imposed on the hotel concerned."

Meanwhile, Mr. Harry Chandler, chairman of the Tour Operators' Study Group, said that the present situation had resulted in spite of several assurances from the Spanish authorities that hoteliers who over-booked would be punished.

Spain's summer of travel discontent Page 17

ICL making further 1,800 redundant

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

INTERNATIONAL Computers, Britain's last major computer manufacturer, is making a further 1,800 workers redundant. This brings the group's dismissals this year to 3,400, reflecting a serious falling off in new orders. The move is expected to accelerate Government thinking on the future of the U.K.-owned sector of the industry.

The Government is formulating a new plan for the industry and a substantial injection of public cash into ICL is thought likely.

As the strongest European company in the field, ICL has been seen as a potential base for a Common Market computer industry and, despite the group's poor market performance and thin order book, the Government's view appears to be that it would be unthinkable to let it founder.

600 in Ulster

The dismissals announced yesterday will affect 600 workers at ICL's factory in Castlereagh, N. Ireland, 400 at plants in Stevenage and North Hertfordshire, 250 at Croydon, 300 at Kidsgrove and Winsford works, and 200 in the Manchester area. Some of the group's headquarters staff will also be dismissed.

The decision to make 250 Croydon employees redundant effectively closes this plant. In all, 1,300 workers have lost their jobs there since the start of the year.

Two main factors appear to have led to the current pressure on ICL. The Rolls-Royce failure threw doubts on other British advanced technology and competition within an already depressed U.K. market has increased as a result of a computer sales recession in the U.S.

Last month Sir John Wall, ICL's chairman, explained that customers were deferring their capital expenditure plans and that the group, in common with other capital goods manufacturers, was experiencing a slow-down in new order-taking compared with the target for the year.

The latest ICL dismissals are a clear response to the depressed state of the U.K. computer market. Orders for new machines are running between 20 and 30 per cent. below the comparable level last year.

Apart from this shortage of orders, afflicting most manufacturers, ICL is still feeling the effects of its backlog of rationalisation, following the formation of the group out of ICT, English Electric and Elliott in 1968.

"As previously stated, it is ICL's policy to continue to take such action as is necessary to adjust its manufacturing and other resources to meet its current and projected needs and to maintain ICL's forward progress," the group emphasised yesterday.

This statement appears to leave scope for more dismissals. There have been consistent rumours that as many as 1,000 workers in the North Hertfordshire area (where 400 redundancies have been announced) could lose their jobs.

Possible aid

The form which Government support for ICL might take has not been revealed, but it is believed that the group might receive help through development contracts for complex, sophisticated systems, probably for use in Government departments.

Further support for ICL could come through a resolution of the problems raised by the split between Government computer procurement, the responsibility of the Civil Service Department, and financial aid, the responsibility of the Department of Trade and Industry. This has been seen as the best way of making Government help and intervention more effective.

ON OTHER PAGES

PACKAGING

To-day's issue contains four pages (22-25) on Packaging

Appointments	21
Arts and Entertainments	3
Classified Appointments	14
Company News	18-20
Crossword	2
Executive's World	15
Export News	6
FT Share Information	30 & 31
Home Contracts	13
International Company News	20
Labour News	12 & 17
Leading Articles	16
Letters to the Editor	2
Lex & Lombard	32
Men and Matters	16
Mining News	19
Money Market	26
Overseas News	5, 7 & 9
Parliament	8
Racing	2
Saleroom	17
SE Dealings and Statistics	28 & 29
Stock Exchange Report	27
Sport:	
Cricket: Trevor Bailey	12
Theatres and Cinemas	3
The Technical Page	11
To-day's Events	13
TV and Radio	2
Wall St. and Overseas Markets	26
Wine: E. Penning-Rowsell	6
World Value of the £	12

PRICE CHANGES

(in pence unless otherwise indicated)

RISES

...Services	45	+ 6
...uppliers	256	+ 10
...n Mavor	89	+ 17
...Ma...	641½	+ 7½
...& Hawkes	210	+ 31
...	390	+ 19
...er. Tobacco	390	+ 12
...loldings	605	+ 25
...	212	+ 12
...House	210	+ 16
Dowty Group	109	+ 8
Drakes	184	+ 13
Electronic Machine	62	+ 10
Freemans (London)	155	+ 12
Furness Withy	306	+ 22
Lon. & Overs's Frtrs.	59	+ 5
Lucas (J.)	268	+ 12
Miles Redfern	115	+ 9
Nat. W'stminster Bk.	612	+ 13
Norvic	50	+ 6
Pantya	31	+ 5
Peck Winch & Todd	104	+ 10
Perkins (D.)	225	+ 27
Pifco "A"	323	+ 38
Smith Inds.	180	+ 17
Thorn Electrical	407xd	+ 16½
Triplex	157	+ 17
Tube Inv.	446	+ 21
Westinghouse Brake	268	+ 25
Shell Transport	417	+ 7
Poseidon	£11	+ 1
Selcast Exploration	85	+ 5
Whim Creek	194	+ 24

FALLS

Doxford & Snderlnd.	43	− 7
Savoy "A"	320	− 15
Longbourne	175	− 7
CAST	235	− 5
New Broken Hill	495	− 10
Selection Trust	725	− 15
Tara Exploration	750	− 25

U.K. DAILY STOCK INDICES

F.T.-ACTUARIES

	July 26	July 23	Yr.ago
Industrial Group	168.68	167.65	—
500 Share	184.87	183.56	133.58
Div. yield pc	3.58	3.60	4.83
P/E Ratio	18.00	17.87	13.75
All Share	181.30	179.36	127.41
Consols yield pc	9.22	9.30	9.27

FINANCIAL TIMES

	July 26	July 23	Yr.ago
Govt. Secs.	74.61	74.39	69.84
Fixed Interest	74.26	74.14	71.32
Industrial Ord.	406.00	405.70	342.10
Gold Mines	54.70	54.70	49.83
Ord. Div. Yield	3.71	3.80	4.90
Earnings Yield	5.76	5.89	6.73
P/E Ratio	17.36	16.97	14.92
Dealings Marked	14,220	12,580	8,297

Industrial Ord. (noon) 406.8.
For Latest Share Index 'phone (01)-246 8026

ANNUAL STATEMENTS

Bradwall (F.M.S.) Rubber	10
Godfrey Davis	12
Cie Générale D'Electricité Paris	10
E. & S. Massey	6
Mannesmann AG	20
A. Monk	19
Norgren Shipston International	17
Peck Winch & Tod	18
Shaw Carpets	18
U.K. Optical Industrial Hldgs.	11
Viohalco	10
Walkers (Century Oils)	11
Western Bank	13

THE £ ABROAD

—	Close July 26	Close Previous
New York (Spot)	$2.4176-4178	$2.4191-4193
Do. (1 month)	0.11-0.09 dis	0.13-0.11 dis
Do. (3 months)	0.45-0.42 dis	0.59-0.56 dis
Do. (12 months)	2.55-2.45 dis	2.83-2.74 dis

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Mr. Barber's mini-Budget

Sir,—Mr. Samuel Brittan in his recent articles has criticised the measures introduced by Mr. Barber as being excessive in amount and representing a change in Government strategy.

Only time will tell whether they will, in fact, lead to the overheating that Mr. Brittan predicts, although I prefer the view expressed in your leader on July 23 that if the unemployment figures for mid-July had been available at the beginning of the week they could only have strengthened the arguments in favour of the Chancellor's reflationary package. Moreover, before any of your enthusiastic readers accept Mr. Brittan's views as infallible (which, of course, I am sure he would not claim) it is worth recalling that he also criticised the Budget as providing an excessive amount of reflation—a view which it would be hard to defend now.

As for the accusation that the measures represent a change of strategy, surely this Government, for better or for worse, has consistently argued that the main responsibility for the settlement of wages and prices must lie with management and unions.

Industry having been given the responsibility has, in due course, responded with the CBI initiative on prices which, curiously enough, Mr. Brittan hardly mentioned in his article of July 22.

A new situation

In fact, the CBI initiative creates a new situation. The Chancellor for long has been saying that he thought the rapid rate of wage and price inflation limited the scope for reflation. Therefore it seems fair to conclude that there has been no change in Government strategy, merely a helpful development in the situation.

Mr. Brittan in one of his articles says that the new measures represent a defeat for the Treasury by "the young Turks around the Prime Minister." Is this really likely? Isn't it more the sort of silly political tittle-tattle that your readers would hope was beneath such a serious commentator as Mr. Brittan?

In one of his articles Mr. Brittan suggests that the effect of the new policy and the CBI initiative will only be to reduce the rate of inflation by perhaps 1-2 per cent. This seems to leave totally out of account (a) the psychological effect of the CBI initiative and the purchase tax reductions in the next round of wage bargainings and (b) the constraint that signing the CBI pledge will have on private industry granting inflationary wage demands—which previously was the weakest link in the Government's anti-inflation policy.

To underestimate the chance of success of the CBI plan and the new measures is hardly helpful to the process of getting inflation under control and can surely only be justified if Mr. Brittan gives his reasons.

David Palin.
37 Tufton Court,
Tufton Street, S.W.1.

Importance of retraining

Sir,—Your references in your leading article of July 23 to the importance of retraining and to the Government's efforts to promote more activity in this field, are highly appropriate as the successful development of a flexible and mobile labour force within British industry is the key factor in helping to generate higher productivity and efficiency and, therefore, competitive ability and profitability.

For over ten years through your columns and others I have tried to draw attention to the urgent need for injecting retraining and re-employment facilities into the British system of employment in order to anticipate the fact that employers sooner or later would have to grasp the nettle of overmanning. Up till now little heed has been given to these pleas but at last, in face of the inevitable, it seems that the penny has dropped.

In fact the whole conception of the Fairfield experiment was an attempt to expose and deal with these problems in practice in order to demonstrate that in the right environment and with good communications, the unions would collaborate with the application of modern management techniques which seek to achieve maximum output per man hour at an economic wage, the right to which has been established through proven performance.

The fact that the value of Fairfields at the time of the U.C.S. merger should show a capital gain of 66 2/3 per cent. to the original investors, and was adjudged by various bankers, accountants and lawyers representing the five companies, plus an independent consultant's report, to be in a position to achieve a profit of approximately £300,000 in 1968, is surely sufficient evidence to show that the progress made in using retraining methods and developing flexibility between trades, was worthy of closer attention than it received by the Government of the day, and illustrates beyond doubt that those who sought—and still seek—to decry these methods would do well to have second thoughts. The attitude to retraining now being promoted by the Government also confirms that our policies and efforts were correctly directed.

In the initial stages of the Fairfield experiment we paid off one-third of the labour force, thus exposing the need for national machinery to cope with what is obviously a national problem. We then concentrated in training, and retraining those who remained, and as they responded to the new disciplines which were imposed by management control, we were able to achieve a rising productivity which was satisfied with additional work to the extent that we were able to guarantee continuing employment to those who had feared, with justice, that higher productivity would lead them to the unemployment queue.

Within the 'yard, therefore, we cured the bogey of redundancy through growth, which is the cure to the problem in Japan, while outside the 'yard we called for similar administrative methods to those which cured the problem so successfully in Sweden.

Regrettably many in high places, who should know better, still believe that the working man will only work hard if eleven men are seeking ten men's jobs. Until those concerned take the trouble to understand that men on the industrial shop floor are better motivated by other means, we will continue to face a type of industrial strife and stagnant productivity which will never be straightened out in any Law Courts which may be set up through the Industrial Relations Bill.

Iain Stewart,
150 Helen St., Govan,
Glasgow, S.W.1.

Latent productivity

Sir,—It is possible that the recent reflationary measures will have less impact on the unemployment figures than forecast, and thus be wholly non-inflationary—contrary to the views of some disciples of continued restriction.

What the Treasury's computer-controlled econometric models have probably overlooked, and not for the first time, is the effect on productivity of a prolonged economic "squeeze."

During the last two years of relatively quiet trading conditions, industry has had the first chance for ages to dot the i's and cross the t's of numerous productivity measures. Thus latent industrial capacity is probably far higher than estimated. Indeed, experience may show that productivity actually rises faster during a period of recession, but obviously cannot show up until given a chance.

For this reason it is a fair bet that in a year's time, even reflationary measures of the present magnitude will still leave substantial industrial capacity unused, and this in its turn may mean a continuing high level of unemployment—time will tell.

Nigel Vinson,
Chairman,
Plastic Coatings.
By-Pass, Guildford.

Open subsidies for transport

Sir,—The implications of the new Government approach to the public sector are indeed as far-reaching as your thought-provoking editorial suggests; but it may be permissible to view the prospect with less dismay than you do. As for the impact on wages, it had become doubtful whether the policy of discouraging inflationary claims in the nationalised industries could succeed in the long run when the workers could see those working in the private sector securing much steeper wage increases. The willing co-operation of the unions can only be secured by some measure of overall control, and the price stabilisation initiative by the CBI should play a vital part in this.

The dangers resulting from the traditional policy of treating public enterprises, such as transport undertakings, as if they were private ones governed by the play of the market forces were twofold: They created the risk of these services pricing themselves out of the market while denying them the capital to modernise and, where necessary, expand them; and through the multiplier effect, they kept overall industrial and transport costs high and raised the cost of living, thereby stimulating wage demands, e.g. by commuters hit by higher fares. Basically, the nationalised industries, such as railways and buses, were faced with the incompatible tasks of showing at least nominal profits while providing services which by their nature were run at a loss.

To advocate open, large subsidies for public transport does not mean advocating waste and inefficiency. It is possible to devise checks and controls to ensure maximum utilisation of these costly installations. The provision of adequate public transport at low direct cost to the users is a *sine qua non* of effective regulation of private car traffic—as the San Francisco Bay project shows. Our halfhearted attempts to reconcile the principle of discounted cash flow with the effective regulation of traffic have left us with a second-rate public transport system and little prospect of relieving traffic congestion by other means. Open subsidies and heavy Government investment in public transport have created the network of fast inter-city trains and growing urban rapid transit on the Continent and the miracle of the Japanese Shinkansen. Neither Germany nor Japan have gone bankrupt because of this—nor has the electrification of the German trunk lines and their adaptation to 125 mph speeds interfered with the expansion of the Autobahnen.

Ralf Bonwit.
Sorby, Kiln Lane,
Binfield Heath,
Henley-on-Thames.

Commercial vehicles

Sir,—As one of the few independent commercial vehicle manufacturers left, I feel I must reply to Mr. Peter French's letter (July 21).

First, it is well accepted throughout the industry that the current recession is due mainly to economic reasons and the delay in introducing new construction and use regulations, not the decline in demand for U.K. manufactured vehicles.

Only four months ago our company had a twelvemonth order book, our company share of the 32-ton market had risen to 15 per cent. and our plans are to double our output in the next four-five years, ready for our country's entry into the EEC. Our current sales in the U.K. are more than double that of our nearest Scandinavian competitors.

As the user of both Gardner and Cummins engines, and by the judicious application of the finest major units available, we feel more than able to compete with the best that Europe can produce. Our first steps into Europe against a fairly high tariff barrier are extremely encouraging. The European operator is only too willing to buy British if it meets with his requirements, is reasonably priced and delivery is prompt.

The needs of the Common Market customer are quite different than those of the traditional Commonwealth buyer and British industry must adapt itself to meet this new demand which is generally more sophisticated, and will eventually be more rewarding in sales volume.

I can assure your correspondent that we at least at ERF are not about to let anyone take our market without a fight; in fact, the European manufacturer must watch carefully his own home market in the future.

E. P. Foden,
Chairman and Managing Director, ERF.
Sun Works, Sandbach, Cheshire.

London housing

London housing problem

Sir,—I was interested to read your article on the "Sombre outlook for London's housing problem" (July 20, Page 12).

Your readers may be interested to know how the Rent Acts are working in practice insofar as they affect rent levels and in particular how they are being made to work to the landlords' advantage.

One method being used where the landlord has been successful in negotiating a particularly good rent from a new tenant is to get the tenant to make a joint application that the rent agreed is a fair one and then to pass it on to the Rent Officer's department to be "rubber stamped." The new tenant may well be a foreigner whose rent is being paid by his embassy or company and, since he is probably only staying for a short tour, the rent is not important, nor indeed are the Rent Acts procedures. Nevertheless, the level of rent so obtained can then be used as a precedent to lever up the rents of all the existing tenants. This method can—and does—continue to operate on a repetitive basis to the advantage of the landlord.

Another ruse used by some landlords is to demand more money from their tenants than they are legally entitled to, knowing that if the attempt fails, they will not be prosecuted and need only apologise for the "clerical error."

On a modern development in London where top market rents were established five years ago on completion rent officers have increased these rents by between 40-70 per cent. and in many cases the landlords are appealing to the Rent Assessment Committees that the increases were inadequate.

That the Rent Acts are not working, as Parliament intended is only too apparent and for four reasons:

1—There are no penalties for infringement or false evidence.

2—There is no centralised control or co-ordination of Rent Assessment Officers and Rent Asessment Committees.

3—Too many of those concerned with the establishment of rent levels have past and present property interests (either directly or indirectly) and look to it for their future livelihood.

4—Tenants are disorganised and no match for the big property owning institutions with their financial and legal resources.

As to the crocodile tears being shed on behalf of residential landlords by one of their number, it was my impression that the Freshwater group owed its rapid growth to the realisation of its shrewd management of the substantial profits to be made from residential property ownership, although admittedly their situation looks pale by comparison with the non-taxpaying charitable institutions who avoid the 63 per cent. tax payable to the Exchequer in Corporation tax and income tax on dividends.

In the absence of an equilibrium between supply and demand, perhaps the fairest way to fix rents would be to base them on the rateable value and relate them to a cost of living index.

Taking a longer term view, it seems likely that the fiscal and political aspect will ensure that residential property will continue to polarise around the owner-occupier on the one hand and municipal housing on the other and this should be much more healthy for the country.

L. L. Jacobs,
205, The Water Gardens, W.2.

Insurance brokers

Sir,—Like so much that has been written about the dispute between the Life Offices' Association and Equity and Law, your Insurance Correspondent's article of July 19 virtually ignores what is surely by far the most important issue raised by this affair.

Whatever may be said of other "intermediaries," the public is surely entitled to regard insurance brokers as its agents, not merely in law but also in fact. If this is accepted, it is clearly most undesirable that such agents should be subjected to pressures and temptations in the form of commissions higher than what may be called the standard rate.

The whole system under which the agent is paid by the life assurance company—instead of directly by the policyholder, as a stockbroker would be—is tolerable only on the basis that commission rates are uniform. Sustained by its members, comprising the great majority of offices, the Life Offices' Association has for many years maintained a high degree of uniformity, and those who challenge its regulatory authority in these matters must surely have better reasons than any which have so far been advanced.

Edgar Palamountain,
Deputy Chairman and Managing Director,
M and G Securities,
Lee House, London Wall, E.C.2.

Elections in Austria

Sir,—Your Vienna correspondent in his interesting article (July 23, page 7) giving the background to the forthcoming parliamentary elections in Austria, quite correctly refers to the "red-black" coalition Governments formed by the Socialists and the People's Party until 1966. He goes on to describe the latter party as "a weird conglomerate of industrialists, farmers and non-socialist black-coated workers." Surely it would have been appropriate to point out that the party is clerically dominated, that is, by the Roman Catholic church. Hence its "black" label and its "conglomerate" character.

Does your correspondent not know this, or is it part of the Common Market brain-washing campaign that references to the political activities of the Roman Catholic church are avoided?

R. Kitzinger.
31, Oakwood Court,
W.14.

Independent university

Sir,—May I correct an error of fact in your report on the Independent University on July 22, page 6. It is incorrect that we are "discussing several sites with local authorities, including a 60-acre area at Buckingham." We are discussing several sites in and around Buckingham with the Buckinghamshire authorities. It has been decided to establish the University in Buckingham on some of many available sites in and around the town. There are no discussions with any other local authorities.

The decision as to whether the University will open in 1973 or 1974 will be taken by Easter 1972.

John H. MacCallum Scott,
Secretary to the Planning Board,
The Independent University,
2, Lord North Street,
S.W.1.

TV/Radio

£20,841 GRANT FOR RESEARCH

A grant of £20,841 has been awarded by the Wellcome Foundation to Dr. M. R. Kibby of the Biochemistry Department, Strathclyde University, for research into chemical changes in the brain produced by drugs used to treat depression.

* Indicates programme in black and white.

BBC 1

12.00 Cricket: First Test Match: England v India. 1.30 p.m. Watch With Mother. 1.45 News. *1.53 Maes a Mor. 2.20 Racing and Cricket: Goodwood, and Test Match, England v India. 4.20 Play School. *4.40 Jackanory. 4.55 The Best of Vision On. 5.20 The Flashing Blade. 5.44 Abbott and Costello.
5.50 News.
6.00 Nationwide.
*6.20 Charlie Chaplin.
6.45 What's the Sense?
7.05 A Taste for Adventure.
7.30 Pop Go The Movies!: "Up Jumped A Swagman," starring Frank Ifield with Richard Wattis.
9.00 Nine O'clock News.
9.20 Professional Boxing: Muhammad Ali (Cassius Clay) v Jimmy Ellis, report from the ringside at Houston.
10.10 My World ... And Welcome To It.
10.35 Points Of View.
10.40 24 Hours.
11.15 Reinhold Niebuhr recalled by some of the people who knew him.

All Regions as BBC 1 except at the following times:—

Wales—11.25 a.m.-1.30 p.m. Cricket: County Championship, Glamorgan v Northampton, and England v India Test Match (and shared with Racing from Goodwood and Test Match at 2.20-4.20). *5.20-5.44 Telewele. *6.00-6.20 Wales To-day. *6.20-6.45 Charlie Chaplin. *6.45-7.05 Heddiw. 10.10-10.40 The Truly Amazing Phenomenon.

Scotland—*6.00-6.20 p.m. Reporting Scotland. *10.10-10.40 As London network. *11.15-11.40 Scottish Viewpoint. *11.42 Scottish News Headlines.

Northern Ireland—6.00-6.20 p.m. Scene Around Six. *10.10-10.40 Our Town: Newry. *11.42 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). *10.10-10.40 North (from Leeds) Twenty to the Dozen: North-West (from Manchester) The Hall Collection: North-East (from Newcastle) Bean's Boots: Midlands (from Birmingham) Contact: East Anglia (from Norwich) On Camera: West (from Bristol) Harbour Dues: South (from Southampton) Champagne When We Win: South-West (from Plymouth) Peninsula. 11.42 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
4.20 p.m. Cricket: First Test Match—England v India.
*7.05 Open University: Science 23.
7.30 News.
8.00 Summer Season Presents "Without a City Wall"—controversial view of London and its region.
8.50 Collector's World: Windermere, Boats and Oriental carpets.
9.20 The Oscars (season of films featuring Oscar-winning performances): Jane Wyman in "Johnny Belinda."
11.00 News on 2.
11.05 Late Night Line-up.

LONDON

2.15 p.m. Racing from Redcar. 3.40 Once Upon A Time. 3.55 Tea Break. *4.25 Peyton Place. 4.55 Little Big Time. 5.20 How.
5.50 News from ITN.
6.00 The Flintstones.
*6.30 Crossroads.
6.55 Father, Dear Father.
7.30 Tuesday Film: "The Buster Keaton Story" starring Donald O'Connor and Ann Blyth with Peter Lorre.
9.00 Crime of Passion.
10.00 News at Ten.
10.30 A Kind of Exile.
*11.15 Play Better Golf.
11.45 The Photographers. David Hurn who specialises in photographs of the English in everyday life.

All ITV Regions as London except at the following times:—

ANGLIA

*4.05 p.m. Anglia Newsroom. 4.10 Yoga for Health. 4.40 Paulus. 6.00 About Anglia. 7.00 "The Siege at Red River" starring Van Johnson, Joanne Dru and Richard Boone. 8.30 Father, Dear Father. 11.15 Casting Around. 11.45 Reflection.

ATV MIDLANDS

3.35 p.m. To-morrow's Horoscope. 3.40 Women To-day. 4.10 Peyton Place. 4.40 Hatty Town. 6.00 ATV To-day. 7.00 Star Movie: "The Farmer Takes a Wife" starring Dale Robertson, Betty Grable and Thelma Ritter. 8.30 Father, Dear Father.

BORDER

4.25 p.m. Border News Headlines. 4.28 Houseparty. 4.40 Hatty Town. 6.00 Border News and Lookaround. 7.00 Feature Film: "Three Brave Men" starring Ray Milland, Ernest Borgnine and Frank Lovejoy. 8.30 Father, Dear Father. 11.15 Yoga for Health. 11.45 Border News Summary.

CHANNEL

4.00 p.m. Sean the Leprechaun. 4.10 Puffin's Birthday Greetings. 4.20 Moment of Truth. 6.00 Channel News. 6.10 Police File. 6.15 Channel Lookaround. 7.00 Star Movie: "Murder at the Gallop." 8.30 Father, Dear Father. 11.30 Channel Gazette. 11.35 Actualites et Projections.

GRAMPIAN

[illegible]

GRANADA

[illegible]

HTV

[illegible]

SCOTTISH

[illegible] Scottish News. 6.10 Hogan's Heroes. *6.40 Tuesday Feature: "Keeper of the Flame." starring Spencer Tracy and Katharine Hepburn. 8.30 Father, Dear Father. 11.17 Talking Heads. 11.40 Late Call.

SOUTHERN

3.35 p.m. To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. 4.23 Paul Bunyan. 4.30 Crossroads. 6.00 Day by Day. 6.45 Father, Dear Father. *7.15 Tuesday Film: "Timeslip," starring Gene Nelson and Faith Domergue. 11.15 Southern News Extra.

TYNE TEES

1.45 p.m. Play Better Golf. 4.10 North East Newsroom. *4.15 My Three Sons. 4.40 Diane's Magic Theatre. 6.00 To-day at Six. 6.25 Where the Jobs Are. 6.30 The Smith Family. 6.55 Tuesday Western: "The Command," starring Guy Madison. 8.30 Father Dear Father. 11.15 Late News Extra. 11.30 Look at Your Shoes.

ULSTER

*4.15 p.m. Plup and His Friends. *4.30 Romper Room. *4.50 Ulster News Headlines. *6.00 UTV News. *6.10 Mad Movies. *7.00 Mid-Week Movie: "Happy Go Lovely," starring David Niven, Vera Ellen and Cesar Romero. 8.30 Father, Dear Father. *11.15 Gourmet.

WESTWARD

3.58 p.m. Westward News Headlines. *4.00 Sean the Leprechaun. 4.10 The Gus Honeybun Show. *4.20 Moment of Truth. *6.00 Westward Diary. *7.00 Star Movie: "Murder at the Gallop," starring Margaret Rutherford. 8.30 Father, Dear Father. 11.13 Westward Late News. 11.17 Faith for Life.

YORKSHIRE

*1.45 p.m. Play Better Golf. 4.10 Calendar News. *4.15 Matinee. 4.40 Yak. 6.00 Calendar. 6.30 The Smith Family. 7.00 Tuesday Western: "Copper Canyon," starring Ray Milland and Hedy Lamarr. 8.30 Father, Dear Father. 11.15 Farmhouse Kitchen.

RADIO 1 — 247m

Time checks, up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.0. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Johnnie Walker. 10.00 Jimmy Young. 12.00 Radio 1 Club. 2.00 p.m. Terry Brandon. 3.02 Terry Wogan. 5.00 What's New. 6.00 Sounds of the 70s. 7.03 p.m. until 2.02 a.m. Radio 1 joins Radio 2.

RADIO 2 — 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30 (VHF and 247m), 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.32, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.2 a.m.

5.30 a.m. News. 5.32 Breakfast Special. 8.27 Racing Bulletin. 8.55 Pause for Thought. 9.02 Pete Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk. 11.30 Sing it Again. 12.02 p.m. Sam Costa puts the Accent on Melody. 1.50 Sports Desk. 2.02 Woman's Hour. 3.02 Follow the Favourites. Racing: 3.10, 3.40 and 4.10. 4.15 Waggoners' Walk. 4.32 Sports Desk. 4.40 Charlie Chester offers music, stars on disc and news. 6.02 Album Time with Brian Matthew. 6.45 Sports Desk. 7.03 On the Latin Beat. 8.01 Sports Desk. 8.02 Along Came Vince ... Vince Hill and Terry Burton. 8.45 Brendan O'Dowda presents Shamrock Time. 9.15 Kenneth Alwyn introduces Lights of London. 10.02 Late Night Extra. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

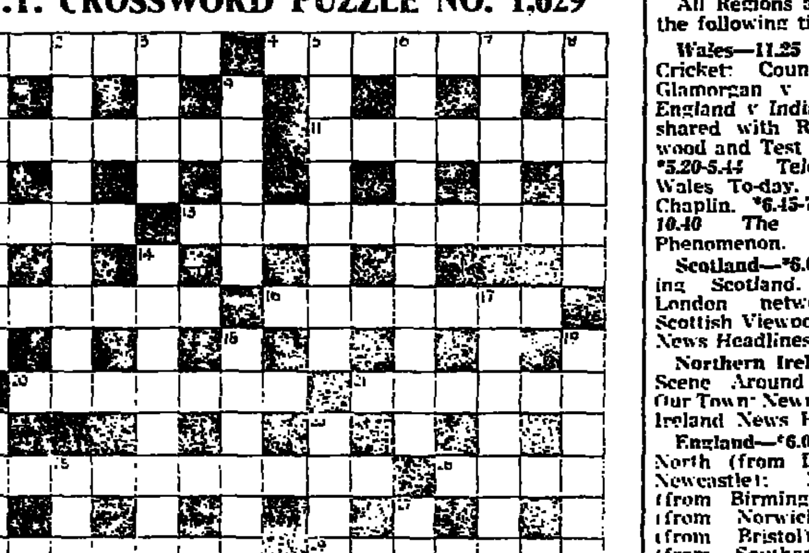
RADIO 3 — 194m, 464m; VHF

7.10 a.m. News. 7.05 Morning Concert: Handel, Michael Haydn, Beethoven, Schubert, Mendelssohn, Sibelius, gramophone records. 9.00 News. 9.05 This Week's Composer: Handel on gramophone records. 9.45 Music Making: Mozart, Franz Schmidt, Reger. 10.55 Test Match Special: England v India, First Test Match: 10.55-1.35; 1.35-1.40 News; 1.55 scoreboard: 2.10-4.20 and 4.30-5.40. [illegible]

RADIO 4 — 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Today. 6.45 Prayer for the Day. 6.50 Regional News, Weather and Preview. 7.00 Today: Magazine. The News. 7.40 Today's Papers. 7.45 Thought for the day. 7.50 Regional News, Weather and Preview. 8.00 News and more of Today. 8.40 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 From our own Correspondent. 9.35 With Great Pleasure: Baroness Stocks presents poetry and prose. 10.15 Daily Service. 10.30 All Kinds of Music. 11.30 The All Electric Holiday Show. 12.00 You and Yours. 12.25 p.m. Brothers in Law. 12.55 Weather, Preview and News. 1.00 The World at One. 1.30 The Archers. 1.45 Listen With Mother. 2.00 Steve Race's Invitation to Music. 3.00 C.P. Snow's Strangers and Brothers, part 19. 3.30 The Twelve Maidens, part 2. [illegible]

F.T. CROSSWORD PUZZLE NO. 1,629



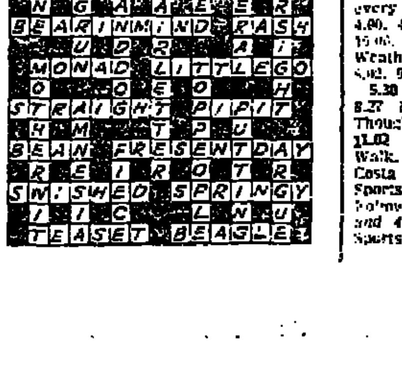
ACROSS

1 Sundry birds (6)
4 Golfer, perhaps, discovered in the deep (8)
10 Tempestuous monster (7)
11 "But he who kisses the Joy as it flies Lives in Eternity's —— (Blake) (7)
12 Make keen the titled English (4)
13 Tall actor makes a record (4, 6)
15 River ladies point to prime publicity (6)
16 America follows school hero (7)
20 Claimed to be the system for our money (7)
21 He's better on the river (6)
24 Unique entertainer — round his wife's finger? (3-3-4)
26 Fill with credit before noon (4)
28 Sending off for an away job (7)
29 Jealous of Casca (7)
30 Round fellow in get-up to spread civilisation (8)
31 Puts down the sound of ceremonies (6)

DOWN

1 Wear rings and bracelets like a sailor? (4, 4)
2 Plant envelops a fast lover (9)
3 The right decoration to wear (4)
5 Gave up the job, but then changed one's mind (8)
6 Paper in which to read Wembley result? (5, 5)
7 Class symbol gets over tiny arrangement for togetherness (5)
8 "A —— sea now flows between." (Coleridge) (6)
9 To do so was aim of sneezing little boy in Alice (5)
14 The wonder of to-day's highway allotment (10)
17 Monopolise the conversation at the very end? (9)
18 Companion subject with kings (8)
19 Pledges there is point in the concerts (8)
22 Price of a Constable? (6)
23 Lady turns up on money range (5)
25 Some records have distinction, of course (5)
27 Declare Bible has Royal Cipher (4)

Solution to Puzzle No. 1,628



Racing

To-day's Events, Page 13

First day of Goodwood

by DARE WIGAN

IT IS my belief that the winner of the Spillers' Stewards Cup Handicap (3.10) on the first day of the Goodwood meeting will come from a group of four three-year-olds, consisting of Ma-Shema, No Mercey, Ballynockan and Royben. Of these, Ma-Shema, a chesnut colt by High Treason, trained by J. Sutcliffe, junior, at Epsom, after finishing second, on sufferance, to My Swallow at Kempton in April, and running creditably in the French 2,000 Guineas at Longchamp in May, was backed with confidence to win the Cork and Orrery Stakes at Royal Ascot where he lost by only half a length to the Irish 2000 Guineas winner, King's Company. He has earned the 8-stone 11-lb. allotted to him here.

Ballynockan, after scoring twice early in the season, was unbalanced in the straight when defeated by Green God and Fireside Chat at the Epsom Derby meeting, and he had no chance at the weights when finishing fourth behind Green God, Apollo Nine and Royben at Newbury on July 9 when J. Mercer did not persevere with him and when it was clear that the leaders had taken his measure.

Nick Vigors has had this race in view for Ballynockan for a long time, and it would be a feather in the cap of this young and capable trainer if he were to win this competitive event at an early stage of his career.

Nevertheless, I would not be surprised if that wily old bird, "Scobie" Breasley (if he will pardon the expression) were to provide the answer with Royben, who went under by only a head and half a length to Green God and Apollo Nine in the Newbury race referred to above, and who meets Apollo Nine on 5 lb better terms here. No doubt it will be a close-run affair and though opinion varies about the efficacy of the draw, I am inclined to think that Ma-Shema and Royben, who are drawn next to each other in stalls seven and eight, will not be at a disadvantage. Royben is the selection to win from Ma-Shema and Ballynockan, with No Mercy as the best outsider.

A day of fascinating sport begins with two races for two-year-olds, in the first of which, the Molecomb Stakes (2.00), Pert Lassie is a reasonably confident choice. Mrs. Stanhope Joel's filly disappointed when beaten in the Hilary Needler Stakes at Beverley last month, but was found to be running a temperature after the race and she turned the tables on Statira to the extent of approximately 12 lengths when winning the Michael Sobell Stakes at the Cancer Relief Meeting at Doncaster 10 days ago.

Boscage, on the strength of two convincing wins followed by a short-head defeat by Padrona in the Cherry Hinton Stakes at the Newmarket July meeting, will no doubt start favourite for the New Ham Stakes (2.30) but I fancy that she will have her work cut out to concede 6 lb successfully to Musicale who after winning a maiden race at Newbury in May, was runner-up to Flintham in the Ribero Stakes at Doncaster and who indeed, for a moment, coming into the last furlong looked as though she might trouble Denys Smith's good colt.

Lady Beaverbrook who has had no luck with the money she has lavished on the progeny of Sea Bird II, owns a good colt in Royalty, a half brother by Relko to Double Jump. Royalty has won four consecutive races and his most recent performance when conceding Appian Way 1 lb and defeating that useful colt by four lengths over 11 furlongs at Kempton at the end of June was an impressive performance. He is likely to be too good for Windrush and Frascati in the Warren Stakes (3.40).

The Players Gold Leaf Filly Virginia Handicap (3.30) at Redcar has attracted only four runners which is a disappointing response seeing that the race carries £2,000 added money.

GOODWOOD
2.00—Pert Lassie*
2.30—Musicale
3.10—Royben
3.40—Royalty**
4.10—Blazey Boy
4.40—Executive***

REDCAR
3.30—Lady Lowndes
4.30—Crown Lane
5.00—King Silver

Radio 3

Macbeth

In this version all that was new, in spite of BBC claims to have restored the "missing" Lady Macbeth scene, was a scene from Davenant's 1664 version (a version which emphasised the spectacular side), which was incongruously inserted at the end of Act 4, before the sleepwalking scene. Whoever said it was "missing," and who could have "missed" it, is hard to conjecture: it was crudely written, unmistakably, as in Davenant's other additions to the play in Davenantese. In it Lady Macbeth rebukes Macbeth for obeying her counsels, and says that if he had been a man, he would have spared Duncan. She repeats herself in paraphrases of other speeches ("it is the strange errors of your eyes," for example), and the scene ends with Macbeth sending for a doctor, the same doctor who enters to set the wheels turning in the Act 5 we know.

Apart from the scene's poor quality, it performs a grave disservice to the rest of the play, by destroying the impact of the sudden crumbling of Lady Macbeth's psyche. Shakespeare prepared this, as much as he wanted to, with the doctor's brief speeches.

The production, otherwise, was straightforward. The witches were very *sotto voce*, hard to pick up among the soft furnishings. Spirits more often than witches, I couldn't see them, as Banquo says, with beards on their chins. Macbeth's evil was in a similar key, intimate and introverted. Joss Ackland, who played him, lacked an evil dimension, though he gave an intelligent reading, well phrased and punctuated, and very gentle. Towards the end he flickered into a blustering manly courage, but hardly ever allowed his rich complex voice to expand. A Brutus landed with enormous crimes, the crimes failed somehow to attach themselves to him, and became diffused in reasonableness. Stephen Dodgson's undistinguished but pleasant music was left to carry the emotions of some of the great outbursts.

Googie Withers had decidedly more passion, but this upset the balance. As Max Beerbohm wrote (quoted at length in the current *Theatre Quarterly*): "A violent Lady Macbeth and a gentle Macbeth, or vice versa, would be a nuisance."

The pace of the story was on the whole well sustained, but the voices of Macduff, Lennox, Malcom *et al.*, were hard to distinguish from one another. Several deeper voices would have gone a long way to relieve this. The subtleties of the productions were technical: voices engaged in different levels and distances from one another; witches's brew bubbling in stereo; a distant dog howling through the horror imagery.

GARRY O'CONNOR

Glyndebourne

Ariadne auf Naxos

Glyndebourne's new *Ariadne* has two more performances to go, to-night and Thursday. It has settled down well in John Cox's intelligent, thoughtful, engrossing production. The sets by Michael Annals share those virtues. So for the most part does the playing of the LPO under the direction of Aldo Ceccato, which has the golden sheen indispensable for Strauss in his honeyed moods, though this has not to be taken for granted. In the bustle of the Prologue the sheen is only intermittently evident. In the Opera itself it glows from the first bars of the miniature overture.

The cast has two new members. Delia Wallis now sings the composer. In appearance and manner, with her trim figure, fine profile, coltish shyness boiling quickly to indignation, she is exactly right. Vocally, she is so far a little overawed, allowing her tone to pinch and go shrill in rapid phrases, too anxious perhaps to capture soprano brilliance at the expense of her former attractive mezzo colour. The big moments, where the composer tries to pin down the new melody at the back of his mind, later where he pours out passionate defence of his art, were charming and touching, but undersized. Later Miss Wallis will surely let them ring out more freely.

Pity the tenor who makes his debut in an important opera house as Strauss's Bacchus! Wilmer Neufeld, who has taken over the ungrateful role, is a Canadian from the Stuttgart Opera. He scored by his restrained, almost insinuating approach to music generally roughly treated by heavy singers who forget that Bacchus was the god of wine, not of beer. Mr. Neufeld brought unusual sensitiveness to the quieter parts of the duet, but he should denasalise his vowels before they denature his tone. Surprising composer! This duet, at first acquaintance so blowsily bombastic, gradually reveals quite unsuspected subtleties. By remembering the chamber-music scale, refusing to emphasise the bombast, Mr. Ceccato and the LPO serenely established its finer side.

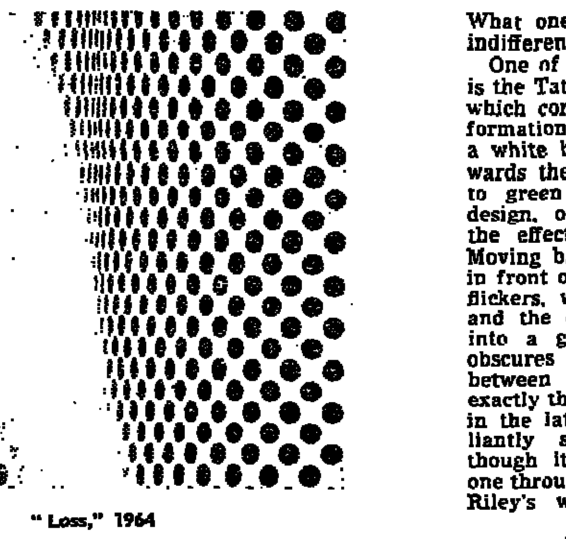
Mr. Neufeld's other achievement was to provoke his Ariadne, Helen Vanni, out of the excessive passivity she had shown up to the moment of the arrival of Bacchus (what language was she singing—Minoan?). A lifeless Ariadne is a poor foil for Glyndebourne's good team of comedians, admirably directed by Mr. Cox, strongly led by Sylvia Geszty. Miss Geszty was not, to tell the truth, in her best voice, but she sailed through Zerbinetta's showpiece with unruffled aplomb.

RONALD CRICHTON

Hayward Gallery

Battle for the eye

by MARINA VAIZEY



"Loss," 1964

The major retrospective exhibition, covering twenty years (1951-1971) of Bridget Riley's work has arrived at the Hayward Gallery for the rest of the summer, after a tour of some of the major cities of Switzerland, Italy and Germany. This is her first big show in London and it therefore provides an exhilarating opportunity of looking at the body of her work. It is the accomplished achievement of a major artist of international stature.

Bridget Riley is a Londoner, born in 1931; she studied at Goldsmith's and the Royal College of Art; she taught in a secondary school and worked in an advertising agency. She has had many teachers, and in 1959 she met the late Maurice de Sausmarez, the exceptionally gifted teacher and theoretician, who encouraged her interest in Seurat and the pointillist technique with which she had already been working. The art that Riley has created comes from a sophisticated education and years of drawing, and later painting, from the life.

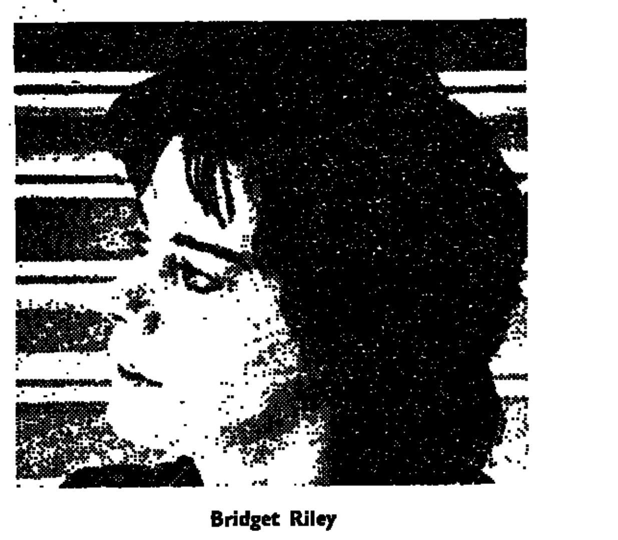
From 1960 on, Riley's art is apparently non-figurative. She is concerned, like Turner, with the bases of painting: the expression of form, colour and light. In pursuit of this fundamental intellectual aim, Riley is endlessly inventive, energetic, original and committed. The effect of the Hayward exhibition is overwhelming: a series of paintings, some big, some the size of the ordinary domestic easel painting. Her work is profoundly intellectual but it calls straight to the emotions. It is marvellously, gracefully, directly sensuous, emotional and intuitive. Using fundamentally simple units, the oval, the stripe, the square, the triangle, the curve, she works on board canvas or wood, with emulsion, oil or plastic paint. Until recently her pictures were progressions of black or warm-cold greys. In the past three years she has been using a range of brilliantly mixed and related colours, usually on a white background. The shapes and forms seem to move. Her notions of pulsating energy are a visual analogy with music, an abstract but emotive art.

Looking at Riley's paintings, one is conscious always of rhythm and beat: ripples, surges, waves, crests, falls, shifts and rising curves are reflected by her titles for her paintings, *Tremor, Horizontal Vibration, Blaze, Fission, Descending, Late morning, Hero (ascending and descending), Vapour, Thrust, Diffusion, Swerve* . . . Though geometric, she is hardly algebraic, and she uses simple arithmetic for many of her progressions, but has stressed, rightly, that her work is never computed, but emotionally derived. Her large paintings are all based on paper cartoons that she may have worked on for months, fiddling puttering, trying movements and changes until the appropriate size is reached that she *feels* is right. The result is a painting that is flatly, immaculately painted but which from its two-dimensional surface creates in the viewer's eye a shimmer of coloured, changing light, colour flickers, colour hazes, curtains and so on.

Talking with a number of people about their reactions to individual Riley paintings, I was fascinated to discover that we all had individual physiological responses. Within certain limits, we all saw different webs of colour, indeed, different colours, and expressed differently: this was particularly so in the case of the black-and-white paintings. Some saw webs of iridescent, faint shimmers of pale colours coming out of the rhythmically moving surface of the painting; others saw distinct, deeper tones; everyone was absorbed, although no single retinal experience appeared exactly to coincide. Response to Riley's work is therefor in a quite unusual and distinct way a markedly individual experience for each spectator.

What one cannot do is remain indifferent.

One of my favourite paintings is the Tate's *Late morning*, 1967, which consists of vertical stripe formations of blue and red on a white background shifting towards the centre of the picture to green and red. A simple design, one might think. But the effect is far from simple. Moving backwards and forwards in front of *Late morning*, colour flickers, webs of colour appear, and the entire picture resolves into a golden shimmer which obscures the white intervals between the stripe formations, exactly the kind of light one gets in the late morning of a brilliantly sunny day, light as though it were falling towards one through a vast, open window. Riley's work is superbly and sensitively hung at the Tate, and the artist has specially asked for hot, tungsten lighting, the nearest one can artificially get to bright daylight.



Bridget Riley

Each Riley painting can be objectively described, its components classified, counted, its colours noted, its rhythmic formations scanned and read. The genesis of its creation nevertheless can remain literally incalculable; Michael Compton of the Tate spent some time working on a mathematical equivalent of the curve that dominates the Tate's black and white Riley painting of 1963, *Fall*; he could find a mathematically computed curve that came very near the curve of *Fall*; but no *exact* mathematical equivalent of the picture's unit and structure. It is a Riley created curve, with its own logic, and none of the commentators on Riley's work have been able to pin down why in Riley's paintings each work has become what it is—a transcendent combination of apparently simple, fundamental units.

It is an unfashionable quality in her work I venture to suggest that makes it so important. It is its endowment with what I can only describe as the most lucid, clear-eyed, delicately controlled passion that I have encountered in the work of a living artist using a non-representational idiom—if indeed it is non-representational.

The best guide to Riley's work is Maurice de Sausmarez' monograph (Studio Vista) which analyses the components of Riley's pictures up to 1969. In his interview with her, he says that her work is rooted in the concept of natural and physical forces, and she replies that "unless thought becomes physical feeling it doesn't really work" and also says that "it is from the visual externalisation of something that the dialogue starts between the artist and his medium" . . . "your medium through which ideas have to become specific art forms." She is amazed when people ask *how* she works; she feels it is self-evident from each painting. "If someone is interested enough to look at the painting he will find out all there is to know."

The total effects of the exhibition may be described as astringently refreshing: one's eyes are cleansed by the confrontation with Riley's 70 paintings, large numbers of drawings, gouaches, cartoons, working drawings, and prints. Bridget Riley's dealers are the Rowan Gallery, 31a Bruton Place, who have mounted a complementary exhibition of drawings by the artist until August 14. Of all the exhibitions that London has recently had, the Riley exhibition is the one above all others not to read about, but to *see*. She is, at 40, the greatest British artist of her generation.

Letter from New Orleans

Louis' hometown blues

by TOM BETHELL

"In the matter of jass," the New Orleans *Picayune* opined in a 1918 editorial, "New Orleans is particularly interested, since it had been widely suggested that this particular form of musical vice had its birth in this city—that it came, in fact, from doubtful surroundings in our slums. We do not recognise the honour of parenthood, but with such a story in circulation, it behooves us to be last to accept the atrocity in polite society, and where it has crept in we should make it a point of civic honour to suppress it. Its musical value is nil, and its possibilities of harm are great."

Two days after Louis Armstrong's funeral in New York, a ceremony honouring the great trumpeter was held on the steps of the New Orleans City Hall. The city mayor addressed a crowd of 10,000, and remarked that it had been his civic honour to represent the people of New Orleans at Louis Armstrong's funeral. Rather touchingly, he commented that he had not realised until then just how great Louis's influence had been, nor how revered was his name throughout the world.

No doubt he meant it. For many years New Orleans—the city where Louis Armstrong spent the first 22 years of his life—adopted a disdainful attitude towards jazz, its greatest contribution to American, and perhaps contemporary, culture. Its foremost practitioners—Negroes from "doubtful surroundings"—were rarely treated as anything other than second class citizens. As a result, Louis Armstrong pointedly stayed away from his home town for many years. He noted that he had played for the King of England but could not stay in the hotel of his choice in New Orleans. After the civil rights Act was passed, Louis did return home once, but he always retained (with the exception of his fellow musicians here) a detectable trace of scorn for his home town.

Perhaps it was for this reason that when arrangements were made to send a New Orleans brass band to Armstrong's funeral, some of whose members were contemporaries of Louis, the offer was rejected by his wife. Whether she complied with his wishes in this matter is not known. But in view of the show-biz aura which pervaded the late trumpeter's funeral, the decision seems regrettable. There is something sad about it, . though a sinner's repentan was spurned.

The most frequent ther heard in all the eulogi addressed to Louis Armstron memory was that of the und privileged child, born in ghetto and brought up in waifs' home, who went on the greatest possible fame a success. The story of the ho town boy who makes good h always been a popular one, a the current critical habit portraying the history of forms in terms of a series catalytic geniuses only inforces the myth. But is it tr in Louis Armstrong's case? questioning the accepted versic I neither wish to cast doubts Louis's enormous achievemer nor, still less, to demean great gifts.

Louis Armstrong was bo into impoverished circumstanc and, as a Negro, was frequen denied ordinary rights. But birthright was, I believe, ext ordinarily rich nevertheless. any art form, there is a fact more important than individ talent if that talent is to fi expression, and that is the pr existence of a language, means of communication tween artist and audience. is abundantly clear from sudden appearance of a brig constellation of musical figur in New Orleans all born with the span of two decades, Lo Armstrong's birth coincided w the birth of such a music language—jazz. Most of New Orleans jazzmen, includi Louis, lacked anything mo than rudimentary musical tra ing, which suggests that n musical languages, at th inception, have great fertil and radiance. Thus was Ar strong greatly favoured in birthright, as few musicians a

A second point about Lou Armstrong's musical bac ground: as the *Picayune* editori makes clear, jazz appeared a flourished in spite of, rath than because of, civic endor ment and critical acclaim. B Louis's music will survive, his numerous records. His nan will be remembered, it is e couraging to know, in Ne Orleans as elsewhere. There a now plans to erect a statue his honour—something that h not been done for any jazzm here before. But it would erroneous to believe that he w anything other than well serv —in the long run—by the tow which gave him to the world.

Cinema

The 'It' girl

No-one ever expressed more ividly than Clara Bow the pirit of Scott Fitzgerald's Jazz ge—all the optimism and oignancy and fever to reclaim e life and the years that The Var had stolen. After more an 40 years she still remains azzlingly attractive with her ge, saucy eyes, the mass of d hair that photographed dark d the slim but astonishingly luptuous figure. Her pout is unequivocal anticipation of isses. Her hips roll and sag undisguised invitation. Some her costumes look daringly ovocative even by to-day's andards. In *My Lady of Whims* e wears a fancy dress otume which is flimsy and eaging about the breasts, with at's eye neatly marking out ch nipple. In *Call Her Savage* (32)—to be shown on Friday the National Film Theatre 2 er 1930s model gowns hold her in a way far more realing than nudity. She has miraculously sensuous way of justing a shoulder strap or king her blouse into the belt her skirt.

Yet not a little of her appeal is in her impregnability. A flow who gets too fresh or n *Call Her Savage* again) tries to pinch her bottom will ed up laid low with a straight ght to the jaw. This mixture sex kitten and militant virgin peculiarly potent. Yet there as more to Clara Bow than sexuality. She was a capable and charming actress and comedian: and she could if necessary rise to a tragic pathos. Beautiful, restless, aggressively vide and alive, Clara Bow *was* the twenties, and her career did not really survive them. At the peak of her success little scandals involving alienation of the affections of other girls' husbands only added to her fascination. A gambling scandal—the silly girl had excitedly written IO for more than she possessed—did her less good. The worst check to her career was when she charged her secretary Daisy De Voe with embezzlement and the affronted Daisy countered with talk of drink and drugs and worse.

But the legend that her voice was not good enough for the talkies was nonsense. Her few talkie films reveal just the sort of voice you would expect—bright, brittle, and with just a touch of Brooklyn which was greatest when she was putting on the Ritz. In her first talkie, *The Wild Party* she was still the Clara, playing the madcap of the girls' college who sets her cap at the handsome new anthropology tutor, played by Fredric March; and managing to get into a good deal of trouble and undress.

DAVID ROBINSON

Letter from Berlin

Ensemble's doldrums by HENRY POPKIN

Is the Berliner Ensemble still one of the great theatres of the world? There is getting to be some doubt about that. I can offer some good-natured qualifications concerning the apparent decline of the Ensemble. For about a week I saw a cross-section of recent productions, and it is just possible that, by some unhappy accident, I missed the most brilliant of the new offerings, the one that might induce optimism concerning this theatre's present path. Also, I should add that the Ensemble has just acquired a new Director, Ruth Berghaus, and this appointment may well bring new vigour.

But the life of a theatre is like the life of a man. Theatres, too, grow old and lose their skill. At least, the Berliner Ensemble has not gone so far along the road to senescence as the Moscow Art Theatre. Brecht is more vividly remembered in Berlin than Stanislavsky is at the theatre he founded. But the Ensemble has been losing, in the last few years, an alarming number of its leading collaborators.

Among its directors, Peter Palitsch went west some time ago, Manfred Wekwerth and Joachim Tenschert departed more recently. When the irreplaceable Ernst Busch retired from acting nearly 12 years ago, *Galileo* and *Mother Courage* (in which he played the title role and the cook, respectively) were dropped from the repertoire. Now, the brilliant Hilmer Thate and Wolf Kaiser no longer act with the Ensemble, and, when Helen Weigel died two months ago, the Ensemble lost at once both its most consummate actress and its director.

What remains? The new work is quite respectable, but I saw nothing to fire the heart and mind quite as *Mother Courage* or *Arturo Ui* or *The Little Mahagonny* did in years past. I had come to Berlin for a week with the purpose of seeing five relatively new productions. Changes of schedule permitted me to see only three.

Wozzeck had been cancelled before I arrived, but *The Jungle of Cities* was called off on short notice because Ekkehard Schall (the company's most admired actor, its unforgettable Arturo Ui, and Brecht's son-in-law) was indisposed—a vivid reminder that the Ensemble does not train understudies to play its leading roles. But now actors may be replaced in long-running productions: Hanne Hiob and Schall are out of *St. Joan of the Stockyards*, although Schall is still listed in the programme. So I saw *St. Joan of the Stockyards*, Sean O'Casey's *Cock-a-Doodle Dandy*, and *Señora Carrar's Rifles*, which opened in June and is not only the latest production by the new Director but also the latest of all at the Ensemble.

St. Joan of the Stockyards, directed by Wekwerth and Tenschert, is most like the productions of the Ensemble's palmiest days—an elaborate presentation of one of Brecht's serious plays, but not one of his best if only because it does not have the humanity that Brecht blended into *Mother Courage* and *The Caucasian Chalk Circle* but was reluctant to acknowledge. Wekwerth has explained that his purpose was not to expose Pierpont Mauler and his fellow-capitalists as gross brutes, as other directors have done, but to tear aside the veil of public relations respectability that would protect them to-day.

Joan Dark's Straw-hats (in effect, the Salvation Army) also contribute to the respectable façade that is the new subject of the play. This approach is theoretically sound, but it quiets things down. Imagine if some director had invented a public relations approach to *Arturo Ui*! . . . Exactly. Even so, the drama now focuses upon Martin Flörchinger's expert portrayal of Mauler the meat king, neither a boor nor a gentleman but a perfect embodiment of single-minded self-righteous bourgeois voracity.

Flörchinger also furnishes one of the few funny moments of *Cock-a-Doodle Dandy* when, as old Sailor Mahan, he is trying to show young Loreleen that he is just a boy at heart—doing semi-handstands on a chair, shinnying up a flagpole, and otherwise wearing himself out. But the production by Werner Hecht and Hans-Georg Voigt is fairly listless and much less satisfactory than the Ensemble's *Purple Dust* a few years ago. What is most curious is the literal-minded treatment of the old men's fantasies of sinfulness, projections of their secret desires; on two occasions the fantasies are made objective—humourless practical jokes that the women play on their prissy old men.

Señora Carrar's Rifles surely provides the shortest evening in the history of the Ensemble. It is a play about the Spanish Civil War, suggested by Synge's *Riders to the Sea*, but, in this instance, the destructive forces are made all too human, and the mother, belatedly recognising the justice of the Loyalist cause, sallies forth, rifle in hand, to fight the rebels. In effect, Miss Berghaus's production is an exercise in restraint and Brechtian alienation for Christine Gloger, who plays the mother. Surely the high point —or does one say low point?— of alienation comes when two fishermen carry in the body of her older son and the mother happens to be caught behind the door.

Not only do we not see any signs of emotion, as in certain famous moments of the Ensemble's *Mother Courage*: we do not see the mother at all. Miss Gloger (who has replaced Miss Hiob in *St. Joan of the Stockyards*) is obviously an actress of great promise, but, this time, she and Miss Berghaus have done little more than show us what a theory looks like in action; it looks rather bloodless.

A scene from "Senora Carrar's Rifles" a play about the Spanish Civil War suggested by Synge's "Riders to the Sea." It is the latest production of the Berliner Ensemble

Farming and Raw Materials

Indonesian rubber cheaper

...WER "floor" prices for Indonesian rubber, effective from July 24 to September 30, were announced in Djakarta yesterday.

The new prices are 12¾ U.S. cents per lb for Rss No. 1 quality and 12 cents per lb for No. 5. This compares with 13¾ and 12¾ respectively in the previous list issued July 1.

The lower prices are intended to make Indonesian rubber more competitive in a market made sluggish by continuing poor demand. The decision by the U.S. to resume releasing surplus rubber from its stockpile has also depressed prices.

Home-grown softwood sales rise

By Our Commodities Staff

U.K. consumption of home-grown softwood in 1970 rose from ...,000 to 294,000 cubic metres, the highest level since 1949, according to the Timber Trade Federation's Year Book of Timber Statistics, just published. However the home-grown share of the total softwood market in Britain remains very small compared with imports that last year fell marginally to 8,167,000 cubic metres.

The home-grown share of the hardwood market continued to decline last year, falling from ...,000 to 345,000 cubic metres, while imports increased slightly to 1,045,000 cubic metres. The same decline in the home-grown share also applies to plywood where home produced sales fell from 1,000 to 28,000 cubic metres against imports of 1,053,000 cubic metres.

However U.K. production of particle board rose sharply from ...,700 to 193,200 tons last year although imports increased from ...,900 to 239,800 tons.

'FREE' PLATINUM AGAIN HIGHER

THE RECENT upward tendency in the London free platinum price continues with the range now indicated at £46.50 to £50 per troy ounce compared with £45.50 to £49.50 previously, reports Reuter. This compares with the official price of £50 charged by the major producers.

First return to work in U.S. copper strike

BY JOHN EDWARDS

THE FIRST RETURN to work by U.S. copper workers, who have been on strike since July 1, was announced last night by Magma Copper Company, one of the smaller producers who were the first to reach a tentative agreement with the unions. Magma said work had been resumed yesterday. Another small producer, Miami Copper, also announced a settlement and return to work.

Kennecott, one of the big four U.S. copper producers, is also hoping for a return to work shortly in its western mining division after the signing of local agreements at 14 out of its 19 locals representing union workers at the company's Utah copper division.

A return to work at Kennecott was made clear by the special non-ferrous Labour conference, representing all the unions involved in the dispute, at Salt Lake City, approving the terms of a new three-year contract with Kennecott agreed last week subject to settlement of local issues.

Yesterday's progress followed unexpected difficulties over the week-end that suggested the special conference had failed to ratify any agreements. This pessimism proved to be premature.

Confused position

The position about the other copper companies remains very confused. Anaconda, who were reported to have signed a tentative agreement last week, now states that no talks are scheduled with the unions. It is believed that local issues linked to work rules is holding up settlement although the national wage offer is understood to have been agreed.

Talks have resumed between Phelps Dodge and the unions at Tucson, while American Metal Climax is holding talks at Carteret, New Jersey, and it is obviously hoped that something will emerge to be submitted to the Salt Lake City conference for approval.

However the conference has rejected outright the last offer made by the American Smelting and Refining Co. and no talks are planned at present.

Nevertheless once the pattern of the Kennecott and Magma settlements emerge it seems fairly certain that an end of the U.S. copper strike is in sight.

The London copper market was extremely cautious yesterday in view of the uncertainty about the U.S. strike developments. Cash wirebars ended the day virtually unchanged at £442.25 a metric ton.

London Metal Exchange stocks of copper rose again last week, up by 1,425 to 97,925 tons, but the increase was much in line with expectations and had been discounted already.

A rise of 57 tons in tin stocks to a total of 4,626 tons, and a fall in the Straits tin price in Malaysia over the weekend, caused tin prices to fall in the morning. But some more buying interest emerged, although there were mixed views as to whether the buffer stock of the International Tin Agreement was supporting the market. Lead stocks fell by 225 to 33,575 tons, zinc rose by 50 to 26,250 tons and LME silver holdings declined by 30,000 to 6,760,000 ounces.

Canadian newsprint price move

By Our Own Correspondent

MONTREAL, July 26.

ANOTHER MOVE is starting in the Canadian newsprint production industry to get higher prices. Macmillan Bloedel, Canada's largest forest products company and frequently the price leader in the industry in Canada, has notified customers in the U.S. that its newsprint price will be raised by U.S.$8 a ton from November 1, 1971.

The company's U.S. customers are mostly west of the Rockies. The proposed increase would bring the basic price there to $163 a ton. If the increase sticks and is followed in other North American markets, it would mean the second boost this year.

Macmillan earlier this year warned that it would try to get higher prices this autumn, and it will get plenty of support from other Canadian producers.

The final test is the state of the market and the policies of some key U.S. producers. "When costs exceed productivity gains, there is no alternative other than to increase prices," Macmillan declared in a letter to customers to-day.

Alberta decides to curb sulphur export sales

BY OUR OWN CORRESPONDENT

TORONTO, July 26.

THE ALBERTA Government will place controls on the sale of sulphur produced in the province in an attempt to eliminate the chaotic conditions caused by over-production and low prices.

The Government says the move is a final desperate step to safeguard a provincial income source and to avoid further deterioration of prices which have plunged from about $35 a ton two years ago to less than $6 at present.

Sulphur is produced in Alberta as a by-product of natural gas production, and with output of the latter rising rapidly, stockpiles of sulphur have been growing and a price war has developed that has threatened the industry.

Sulphur production in Alberta this year is estimated at 5.8m. tons of which only about 3.1m. tons will be marketed at rock bottom prices. Production next year is expected to rise to 7.5m. tons, and under the Government's control programme, which becomes effective on January 1, about half of this amount is expected to be stockpiled.

The Government hopes its programme will lead to stabilisation of prices at realistic levels and is hoping that the price will improve to $15 a ton. Government officials deny that the action is in any way connected with overall energy negotiations between Canada and the U.S. or that U.S. producers exterted any kind of pressure on the province to regulate its sulphur sales. However, U.S. producers in the past have charged that Alberta producers have been dumping sulphur at prices that were in no way reflecting production costs.

Although the Alberta Government consulted Federal authorities and the Governments of other sulphur producing countries—U.S., Mexico, France and Poland—it is taking the unilateral step to control marketing in the hope that other countries will follow suit. Alberta is the largest producer and exporter of sulphur in the world.

Countries meet

Our Commodities Editor writes:— The Alberta Government's move follows a meeting of representatives of leading sulphur producing and consuming countries in Montreal recently, called by the Canadian Government.

Other major producers are expected to adopt a similar stance either publically or informally, in time for the annual autumn negotiations between suppliers and consumers for 1972 sulphur requirements.

Of the elemental sulphur producers, the U.S., Mexico and France all have an interest in not running down their sulphur reserves at a time of depressed prices. Poland is perhaps in a better position to take advantage of the situation, but is nevertheless expected to follow Alberta's lead.

On the face of it, world consumption should catch up with production since demand for sulphur for sulphuric acid manufacture is increasing. According to the British Sulphur Corporation, world demand in the first half of this year rose by at least 5 per cent.

The uncertainty is that some 20 per cent. of world sulphur supplies is now produced as a byproduct of other materials, notably natural gas and oil. While Alberta is willing to stockpile its recovered sulphur, other byproduct producers may not be so willing. Moreover, with an increasing number of Governments taking an interest in the environmental pollution, output of recovered sulphur seems certain to be stepped up still further. In some quarters it is felt this could delay the restoration of a fundamental between world sulphur supply and demand.

N.Z. wool freight rate up 12½%

WELLINGTON, July 26.

FREIGHT rates for New Zealand wool to Britain and Europe during the export season beginning October 1 next will rise by 12½ per cent., the New Zealand Wool Board announced here.

A statement by the Board added the rise followed discussions between the New Zealand European Shipping Association, representing the 14 lines in the trade, and the New Zealand Wool Freight Committee.

Board chairman, Sir John Acland said the rise will add another $N.Z.2.5m. (about £1.2m.) yearly to the cost of exporting wool to Britain and Europe, which at present total $20m. He said freight will be about one-seventh of the landed value (c.i.f.) of the wool. Containing the increase to 12½ per cent. was the best the freight committee could achieve, Sir John declared.

Sir John said negotiations were "tough" because of the escalation in shipping costs on the one hand and the difficult position of the wool industry on the other.

To prevent similar big rises in coming seasons much will have to be done about the overall movement of wool from farm to overseas mill, he urged. For every dollar the shipping lines receive for carrying wool, 21 cents was spent in New Zealand on dumping the wool, carting it to the wharves and loading it into ships, said Sir John.

A total of 1,980,504 bales of wool was entered for export from New Zealand in the year July 1, 1970 to June 30, 1971, the New Zealand Wool Commission states. This compares with 2,055,533 bales entered for export in 1969-1970.

Reuter

Meanwhile in London a new round of talks about freight rates for shipping Australian wool to Europe is due to start to-morrow, shipping circles said.

Discussions between the Australian wool growers, U.K. and European importers and the lines engaged in carrying the wool, have been going on in London and Australia for some months.

The shipping companies are pressing for higher freight rates to help compensate increased operating costs, while the wool growers are reluctant to agree because of lower wool prices.

Reuter

Le Nickel ends sales agreement with Cuba

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

LE NICKEL is not to renew the three-year trading arrangement with Cuba which expired at the end of last year. Under the arrangement Le Nickel imported some 3,000 tons of the metal into France and resold it to French customers. A report carried in yesterday's Le Monde attributed this to pressure exerted on French interests by the U.S. Government.

The newspaper foresees a drop in Franco-Cuban trade as a result of this since nickel comprises 40 per cent. of the island's sales to France. The loss of hard currency earnings will mean the Cubans will be able to buy less from France.

The direct pressures which led to the ending of the arrangements were said to have been the demand of U.S. authorities for certificates from French exporters to the U.S. that their products contained no Cuban nickel.

Additionally Le Nickel's increasing investments in New Caledonia and the company's association with Kaiser and International Nickel had, according to Le Monde, led to difficulties for the French company in dealing with the Cuban metal.

U.S. producer puts up Zinc price

BETHLEHEM, PENN., July 26.

THE NEW JERSEY Zinc Co., a unit of Gulf and Western, said it is raising its selling price of slab zinc and alloy by 1 cent a pound, effective immediately.

This brings the special high grade to 18 cents a pound and the prime western to 17 cents delivered—Reuter.

American Metal Climax announced increases in its prices for zinc of 1 cent per pound across the board.

The new Amax prices for zinc are Prime Western grade 17.00c, high grade 17.85c and special high grade zinc 18.00c per pound, all on a delivered basis.

At the same time Amax reduced its price for cadmium by 75c per pound to $1.50 per pound.

Our Commodities staff writes: The announcement came after the close of the London Metal Exchange zinc market, where prices in fact eased yesterday. However forecasts of a rise in the U.S. zinc producer price, with obvious implications for the European producer price, did cause LME zinc values to rise to a new high for the year last week. It is expected other U.S. producers will follow the lead taken by New Jersey Zinc.

Boost for Scottish malt barley

BY A SPECIAL CORRESPONDENT

ARBROATH, July 26.

TO CATER for the 9 per cent. growth annually of the whisky industry more attention is turning to methods of using barley grown in Scotland for malting to supplement that bought in and transported at high cost from East Anglia.

The acreage sown has increased rapidly with encouragement from maltsters. Ten years ago only about 125,000 tons of barley were bought in Scotland but to-day 3½ times that figure or 40 per cent. of the total supply is purchased locally after being grown on a contract. Part of the problem has been in the East of Scotland, where much of the area is suitable for barley, wet weather has hampered harvesting and the financing of grain dryers by individual farmers has been difficult.

This is where companies like Moray Firth Maltsters—which to-day opened its second plant providing drying and malting facilities under one roof, have established a useful service. The firm began with a group of young men employed in King's Lynn by R. W. Paul being sent to Scotland on a feasibility study which was not proceeded with so they set up themselves and built their first plant at Inverness three years ago.

The new plant has a grain store of over an acre under cover holding 25,000 tons. Both this and the Inverness plant are designed for three-shift, 24-hour-day working, malting for 46 weeks and grain drying for 46 weeks.

Finance to cover the cost of the £600,000 Arbroath project was arranged with Hambros Bank who own 30 per cent. The four executive directors own the remaining two-thirds of the company. A building grant was also received from the Ministry of Technology and a loan from Arbroath Borough Council.

Brazil to press for low coffee quotas

BY OUR OWN CORRESPONDENT

RIO DE JANEIRO, July 26.

BRAZIL will seek lower export quotas at the International Coffee Council meeting in London next month, and will bar any attempts to discuss questions not immediately concerned with coffee.

This position was outlined in an official statement issued here following a meeting between President Medici, Sr. Marcus de Moaraes, Minister for Commerce and Industry, and Sr. Mario Penteado, president of the Brazilian Coffee Institute, who will lead the delegation in London.

The reference to excluding non-coffee questions from the meeting applies to the Brazilian 200-mile territorial waters declaration. By barring foreign vessels from fishing within this limit, Brazil has incurred the wrath of the U.S. Congress to the extent that Congress has postponed the extension of U.S. membership of the International Coffee Agreement.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Moved narrowly on the London Metal Exchange. In ...-market activity forward metal ...ed between £453 and £448 in ... confused by conflicting ...ts as to the nearness of a settlement of the current U.S. copper workers' strike. Later, it was generally accepted that agreement was near and in the ..., the price traded between £... and £453 before closing at a higher level. Fresh selling was well absorbed by bear covering and influential buying. Turnover 8,200 metric tons.

[illegible] ... wirebars traded at ... early Aug. £442, mid-... three months £450 to ... three months £441, 40. Kerbs: Bars: £440, 39.5, mid-Aug. £443, early Sept. £445, three months £450.5 50. Cathodes: three months £440. Afternoon: Wirebars: cash £442.5, mid-Oct. £451, three months £450, 49 to 52.5, 52. Cathodes: cash £431, three months £451.5 to 53.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	441.5-2	−4	442.5	−.5
3 months	451-2	−4.5	452.5	−.5
Settlem't	442	−4	—	......
Cathodes				
Cash	429.5-30	−3.75	431.5	−1
3 months	440.5	−3.5	441.2	−.75
Settlem't	430	−4	—	......
U.S. Smlt.	—	......	*52.75-53	......

TIN—Closed higher. After opening easier in line with the East, prices recovered on renewed buying at the lower levels. It was thought that the Buffer Stock manager of the ITC may have operated yesterday. Turnover, 405 tons.

Morning: cash £1,427, 26, 30, 31, three months £1,442 to 47. Afternoon: three months £1,449, 50. Kerb: cash £1,435.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	1430 1	+4	1435-4	+4
3 months	1447 8	+1	1450-1	+4
S'ment	1431	+4	—	......
Straits Ex.	1-58.66	−12.71	—	......
New York	*165.75	......		

LEAD—Hardly changed. Prices held steady in idle trading, there being little selling pressure. Turnover, 1,050 tons.

Morning: cash £109.25, 9, late Aug. £109.5, three months £111.5. Kerb: early Aug. £109.25. Afternoon: cash £109, early Aug. £109.25, three months £111.5, 11.75.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	109.25	+.5	108.75-9	−.25
3 months	111.5.75	+.25	111.5.75	−.25
S'ment	109.2	+.5		
N.Y. Smelt			*14-14½	

ZINC—Lost ground on further consideration of the possible U.S. steel strike and a complete lack of buying interest. News that New Jersey Zinc had increased its producer price came after the close of the market. Turnover, 2,000 tons.

Morning: cash £134.75, £34.5, three months £138.5 to 37.5. Afternoon: late Aug. £135.5, early Sept. £136.25, three months £137.5. Kerb: three months £137.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
Cash	134.25.5	−.5	134.25.5	−1
3 months	137.5.75	+.25	137.25.5	−.75
S'ment	134.5	−.5	......	......
E.St.Louis	......	......	*15	......

* Cents per lb. † On previous unofficial close.

SILVER

LME—Turnover 112 (54), lots of 10,000 ozs. Morning: Cash 64.7, 64.6, early Aug. 64.7, three months 65.5, 65.6. Kerb: cash 64.6, three months 65.6. Afternoon: Cash 64.6, late July 64.5, three months 65.5. Kerb: three months 65.5, 65.6.

SILVER per troy oz.	Bullion fixing selling prices	+ or −	LME close	+ or −
Spot	64.4	−0.3	64.55	−0.2
3 months	65.7	−0.3	65.55	−0.3
6 months	67.1	−0.3		
7 months			67.4	−0.3
12 months	70.0	−0.5		

COCONUT OIL

Dull and featureless, reports G. W. Joynson. Close: Sept. £125-£127 (same), Nov. £121-£127 (same), Jan. £120-£126 (same), March £119-£125 (same), May £118-£124 (same), July £117.0-£123.0, (same). Turnover, 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

COCOA

The day was quietly steady with limited activity in actuals, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
No. Contract			
July	230.5 2.0	+1.0	230.0
September	235.5 7.0	+2.0	235 0-7.0
December	245 5.0	+2.5	245 0-5 5
March	250 5 1.	+3.0	249 0-51 0
May	254 5 5.0	+2.5	254 0-5.0
July	258 0 8.5	+2.0	258.0
September	261 5 2.0	+1.5	261 5

Sales: 1,736 (2,097) lots of 5 tons each.

FREIGHTS

DRY CARGO—The sharp increase in activity at the end of last week was not maintained and the market relapsed into the earlier lethargic conditions. Grainshippers, however, fixed several vessels during the week-end, including from the U.S. Gulf to Japan at $4.75 free discharge for December and from the Gt. Lakes to Belfast-Mersey at $3.30, completing St. Lawrence $1.65 f.i.o. for August. A cargo of wheat was also arranged from the U.S. Gulf to Salvador-Recife-Cabedello at $6.25 f.i.o. for August-Sept. Other grain business included Chicago to Portugal at $7.40 free discharge, completing St. Lawrence at $4 for July-Aug.

Confirmation was lacking on reports that two vessels of 20,000 tons were fixed for grain from the River Plate to Japan at $7.50 free discharge. Time-charterers open for 350,000-400,000 cf bale for a voyage from Peru to USNH, spot, also for a vessel of 350,000-400,000 cf bale delivery New Orleans August 9-10 for a voyage to Bergen-Malmo range or Le Havre-Hamburg range. Other time-charter orders included a vessel of 750,000-775,000 cf bale for a trip from south Finland to U.S. Gulf Aug. 18-24 delivery.

OIL TANKERS—Quiet with few fixtures although with signs of a slight improvement again in rates. A 30,000-ton Esso relet was taken for end-July from Persian Gulf to Far East at W.75 by Socal, which also arranged a 100,000-tonner for six months' consecutive voyages, from early-September, Persian Gulf options at W.35. Generally there was more activity in the period charter market, with a 50,000-tonner fixed for one year's timecharter at W.100.

COFFEE

Futures were quiet and featureless throughout the morning and prices showed little movement to finish £1 per long ton lower to unchanged on balance in a turnover of 24 lots. Terminal was steadier after lunch on a trade buying interest for Sept. and the rest of the market moved higher in thin dealings. Later, prices held steady at the highs to close unchanged to £1.50 per long ton higher on balance in a turnover of 181 lots.

COFFEE	Yesterday's Close	+ or −	Business Done
	£ per ton		
July	366.5-7.0	......	366.0-7.0
September	368.5 9.0	+1.0	367.5-9.0
November	355 0 5.5	+1.5	354.0-5.5
January	349 0 9 5	+1.25	349.0 9 5
March	345 0 5.5	+1.0	344.5-5 5
May	342 0 3.0	+0.25	342.5
July	339 5 40.5	+0.25	340.0 0 5

Sales: 181 (129) lots of 5 tons each.

Latest published ICO indicator prices (U.S. cents per pound): Colombian Mild Arabicas 48.00 (same). Other milds 43.50 (same). Unwashed Arabicas 42.13 (same). Robustas 42.32 (42.26). Daily average 43.73 (43.71).

COTTON

Unchanged, reports Eccles and Stern. (New pence per kilo)

COTTON	Yesterday's Close	+ or −	Business Done
July	30.60-.80	......	—
October	30.40-.60	......	—
December	30.40-.60	......	—
March	30.40-.60	......	—
May	30.40-.60	......	—
July	unquoted	......	—

Turnover 0 (0) lots of 10,000 kilos each. Strict middling 1 1/16 inch. Pressley 78,000 lbs square inch micronaire 3.5-4.9.

LIVERPOOL—Spot and shipment sales amounted to 233 metric tons writes F. W. Tattersall. Steady buying continued with prices still at highly inflated levels. Most support came in Middle Eastern and African qualities.

RUBBER

EASIER opening, very quiet trading and the market closed on an idle note. Lewis and Peat reported a godown price of 97.50 Malayan cents a kilo (buyer, August).

Contract	Previous Day's Business	12.45 p.m. Official prices	Closing buyers prices	Rise or fall
C.I.F.	p	p	p	p
August	not avail.	15.45*-.6	15.45	−0.05
Sept.	not avail.	15.-75*-.85*	15.75	−0.05
Landed				
Spot	—	14.45-.7	14.45	−0.05
August	14.76	14.55 .7	14.55	−0.05
Sept.	—	14.9-15.1	15.0	+1.06
Oct.	—	15.2-.4	15.2	−0.05
Oct.-Dec.	15.6	15.5-.55	15.5	−0.05
Jan.-Mar.	—	16 1 .3	16 1	−0.06
Apr.-Jne.	17.0	16.65-.95	16.8	−0.1
July-Sept	—	17.4-.6	17.4	−0.05
Oct.-Dec.	—	17.9-18.1	17.9	−0.05
Jan.-Mar.	—	18.25 45	18.25	−0.05
Apr.-Jne.	—	18 7-.8	18.7	−0.05
July-Sept	—	18.9-19.1	18 9	−0.05
Oct.-Dec.	—	19.2 4	19.2	−0.05

* Nominal.

Malayan thick crepe Aug. 19.25* (seller). Ceylon thick crepe Aug. 22.70* (seller).

GRAINS

THE BALTIC—U.S. corn met a wide-spread demand for direct shipment and transhipment. A Sept. cargo sold to Avonmouth at small quantities traded to Glasgow. Interest was also shown for optional denatured feed wheat with Belfast seeking about 10,000 tons for Oct.-Dec.

Wheat: Canadian Manitoba No. 2 July 20-Aug. 10 transhipment 31.43 seller East Coast. U.S. Red Winter No. 2 Aug. transhipment 27.95 seller East Coast. U.S. Hard Winter No. 2 13½ per cent. Aug. transhipment 30.05 seller East Coast. Australian f.a.q. Oct. transhipment free-out 29.25 seller Tilbury. French Aug.-Sept. 26.50 East Coast quoted.

Maize: No. 3 Yellow American Aug. 27.70 seller Tilbury, Canadian No. 2 Aug. 25.25 seller Avonmouth levy buyers account.

MARK LANE—New crop softmilling wheat was valued at £24 per long ton Aug.-Sept. delivery with sellers' ideas in the region of £24.50 per ton. Malting barley was tentatively indicated at from £26 to £29.50 per ton delivered as to quality, while small parcels of fixed-row feed traded to the London area at £22.75 per long ton. Sellers' quotations per long ton delivered London area. Wheat softmilling old crop unquoted. Aug.-Sept. new crop £24 to £24.50, semi-hard, hard and feed unquoted. Barley malting Aug.-Sept. new crop £26 to £29.50 as to quality, two row feed Aug.-Sept. new crop £23 value. Oats milling old crop unquoted, Aug.-Sept. new crop £23 value, feed unquoted.

LONDON HOME-GROWN FUTURES—Wheat, easier. Close: Sept. 23.825, Nov. 24.650, Jan. 25.625, March 26.475, May 26.925. Business: Sept. 23.825-23.800, Nov. 24.750-24.625, Jan. 25.750-25.625. Barley: easier. Close: Sept. 22.950, Nov. 23.850, Jan. 24.600, March 25.375, May 26.100. Business: Sept. 23.000 only, Nov. 23.925-23.875, Jan. 24.675-24.600, May 26.100 only.

HGCA—Average ex-farm spot prices for week ending July 23. Soft milling wheat—S. East £23.25, Eastern £23.20, E. Midlands £23.50, U.K. £23.20. Feeding barley—S. East £21.35, S. West £21.55, Eastern £22.00, E. Midlands £22.90, W. Midlands £21.75, N. West £22.70, U.K. £21.65.

SOYABEAN OIL

Quiet and untraded, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or −	Business Done
	£'s decimal long ton		
September	140.5-2.7	......	—
November	136.0-9.0	......	—
January	130.0-5.0	......	—
March	129.0-34.0	......	—
May	129.0-33.0	......	—
July	128.0-33.0	......	—

Turnover 0 (2) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

SUGAR

LONDON DAILY PRICE—Unchanged at £42.30 a ton c.i.f. for July-August shipment. Prices showed little change at the quiet opening but eased later under good selling, mainly in December, reports C. Czarnikow. Switch interests were active however, and the pressure in the December contract was well absorbed on the switches. After the cheaper offerings were taken up buyers-sellers became equally balanced until late in the day.

Sugar Pre. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	42.50-.55	42.55 .65	42.45-.60
Oct.	42.60-.65	42.70-.75	42.50-.60
Dec.	42.65-.6	42.80 .85	42.50-.65
Mar.	43.55 .65	43.65-.75	43.50-.80
May	43.55 .65	43.70 .75	43.45-.80
Aug.	43 25 30	43.40 .45	43.20-.45
Oct.	43.10 .30	43.30-.40	43.00-.20

Sales: 1,217 (1,683) lots of 50 tons each.

Tate and Lyle's ex-refinery prices for granulated in 1-cwt paper sacks was £4.16 (same) for home trade and £36.30 (same) per ton for export.

SUNFLOWER OIL

Quiet and untraded, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or −	Business Done
	£'s per long ton		
September	168.0-70.5	......	—
November	164.0-8.5	......	—
January	161.5 5.5	......	—
March	159.0-66.0	......	—
May	156.0-65.0	......	—
July	155.0-64.0	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

JUTE

LONDON—Quiet. P.W.C. grade Aug.-Sept. £145.50 seller, P.W.D. grade Aug.-Sept. £137.00 seller. A long ton.

CALCUTTA—Steady. Indian spot Rs370 value. Dundee Daisee spot Rs353 value. A bale of 400 lbs.

WOOL FUTURES

MERINOS—Dull and featureless, reports Bache.

(New pence per kilo)

Dry-combed wooltops	Yesterday's Close	+ or −	Business Done
July	......	......	—
October	80.0 2.0	+0.15	—
December	83.0 4.0	+0.15	—
March	83.5 5.0	+0.4	—
May	84.0-5.5	......	—
July	84.7-6.0	+0.25	—
October	85.5-7.0	−0.05	—
December	86.0 7.5	−0.25	—

Turnover 0 (0) lots of 2,250 kilos.

SYDNEY—Steady. Close: Oct. 63.7-63.9, Dec. 64.5-64.6, March 66.1-66.5, May 67.1-67.5, July 68.4-68.7, Oct. 68.7-69.0.

MEAT/VEGETABLES

SMITHFIELD—Beef: Scotch killed sides 18.2-20.6, Ulster hindquarters 24.2-25.0, Ulster forequarters 13.3-13.8, Eire hindquarters 23.2-24.2, Eire forequarters 12.8-13.8, Argentine chilled boneless cuts—strip loins 36.2-40.0, rumps 31.2-32.5, top sides 29.3-30.0, silversides 27.5-27.5, thicks 25.5-27.5, ponies 18.3-19.0.

Veal: English fats 30.0-33.5, English fats (high quality) 35.0, English bests 17.5-20.0, English mediums 15.0-17.5, English bobbies 11.0-15.0, Scotch bobbies 10.5-13.5, Ulster fats 27.5-30.0, Ulster fats (high quality) 32.5.

Lamb: English medium 16.7-20.0, English heavy 15.0-16.7, Scotch medium 16.7-19.3, Scotch heavy 15.0-16.7, Eire 15.0-17.5, Imported frozen—New Zealand D's 13.1-14.2, New Zealand 2's 12.5-13.3, New Zealand 8's 12.0-12.5, New Zealand YLs 11.8-12.9, New Zealand YMs 12.0-12.9.

Ewes: 6.0-7.0, ewes (high quality) 9.0.

Pork: English, under 100 lbs 10.0-14.6, English, 100-120 lbs 10.0-13.5, English 120-160lbs 11.3-12.5, English, 160-180 lbs 10.3-11.5, English, 180 lbs and over 10.0-11.0.

Meat Commission average fatstock prices at representative markets, week ending Jul y24.

Markets: U.K.—cattle £12.32 per live cwt (−0.05 on previous week), sheep 18.6p per lb edcw (−0.9), pigs £1.78 per score (+0.02). England and Wales—cattle numbers up 30.7 per cent., average £12.45 (same), sheep numbers up 27 per cent. average 18.9p a lb. (−0.9), pig numbers down 0.4 per cent. average £1.77 per score (+0.02).

Average prices at representative U.K. markets yesterday—Cattle £12.24 per live cwt (−0.15), sheep 18.1p a lb edcw, (−0.8), pigs £1.82 a score (+0.03). England and Wales cattle numbers up 16.5 per cent. average £12.24 per live cwt (−0.13), sheep numbers up 13.2 per cent. average 18.2p per lb edcw (−0.8), pig numbers up 9.2 per cent. average £1.81 per score (+0.03).

COVENT GARDEN—Imported produce: Grapefruit—South African: 32 £2.30-£2.35, 36 £2.35-£2.40, 40 £2.30-£2.55, 48 £2.75-£2.80, 56 £2.55-£2.60, 64 £2.40-£2.45; Israeli: Jaffa 32 £2.50. Oranges—Brazilian: £1.50-£1.60; Israeli: Valencia Lates £1.35; South African: 56/150 £1.65-£1.80; Californian: 88/113 £1.50-£1.75. Lemons—Italian: 100/120 £2.50-£2.65; South African: £2.25-£2.75; Californian: £3.00. Melons—Israeli: Ogen £1.50-£1.70, Yellow £1.40; Spanish: Yellow £0.80-£1.10; French: Charentais £1.30. Water-melons—Spanish: £1.00; Greek: £0.80-£1.00. Grapes—Belgian: Per pound, Royal £0.25-£0.30; Cypriot: Sultana £0.05, Cardinal £0.07. Apples—Tasmanian: Jonathans £2.50-£2.60, Sturmers £3.20, Democrats £2.60-£2.70, Granny Smith £3.30. Croftons £3.70, Golden Delicious £3.30; West Australian: Granny Smith £3.20-£3.40. Pears—Australian: Packham's £2.40, Josephines £2.30, Winter Nelis £1.70; Italian: Per pound, Guyots £0.05; French: Per pound, Dr. Guyots £0.05.

English produce: Cabbage—Crate £0.60-£0.70. Lettuce—Round 24's £0.50, Cos 12's £0.45. Potatoes—New crop £0.50-£0.60. Mushrooms—Per pound £0.20-£0.22½. Cucumbers—Per tray 12/15's £0.70-£0.80. Cauliflowers—12's £0.50-£0.60. Tomatoes—Per pound £0.08-£0.09. Celery—12/30's £0.85. Broad beans—£0.03. Runner beans—£0.07. Peas—Per bag, approx. 36 lb £0.60. Carrots—28-lb bag £0.50. Beetroot—Per bag £0.50. Courgettes—Per pound £0.05. Gooseberries—Per pound £0.05. Levellers £0.05-£0.09. Cherries—Per pound £0.05-£0.09. Blackcurrants—Per pound £0.12-£0.15.

COPRA—Philippines-Indonesian: July $189, August $193, Sept. $194, Oct. $196 resellers.

GRIMSBY FISH—Good supply, fair demand. Prices per stone, Shelf cod 50p-£1.15; medium haddock 70p-90p; large plaice £0.60-£0.80; coalfish 50; catfish 70p.

LONDON TEA SALE—21,322 packages. There was a good but more selective demand. Best liquoring teas were firm but medium descriptions were from 1p to 2p per kilo lower. Clean plain teas were generally firm but plainest types were sometimes up to 2p per kilo lower.

PRICE CHANGES

Prices per ton unless otherwise stated.

	July 26 1971	+ or −	Month ago
Metals			
Aluminium (a) (w)	£257.20	......	£257.2
Copper			
Cash Wire Bars (w)	£442.25	−0.5	£436.25
3 months do. do. (w)	£452 25	−0.5	£446.75
Cash Cathodes (u)	£431.25	−1	£426.75
3 months do. do. (u)	£441.5	−0.75	£439.25
Gold ...... Troy oz.	$41 80	+0.05	$39.95
Lead, Cash (u)	£108.875	−0.25	£110.75
3 months (u)	£111.625	−0.25	£112.75
Nickel (u)	£1,248.5	......	£1,248.5
Platinum (b) troy oz.	£50	......	£50
Freemarket	£46½-50	+0.75	£43-47
Quicksilver (76 lbs.)	£212	......	£218
Silver Troy oz.	64.4p	−0.3	66.1p
3 months	65.7p	−0.3	67.6p
Tin, Cash (u)	£1,435.5	+4	£1,435
3 months (u)	£1,450.5	+4	£1,451.5
Wolfram 22.04lb cif	$18½-19½	......	$20.5-22
Zinc, Cash (u)	£134.375	−1	£129.75
3 months (u)	£137 375	−0.75	£132.875
Producers (u)	£150	......	£150
Oils			
Coconut, Malayan	£147 (m)	......	£138
Groundnut			
5.5%	†£190 (r)	......	£195
Linseed Crude	†£110 (r)	......	£108.5
Palm-Malayan	‡	......	£106
Soyabean x	†$350 (t)	......	$315
Seeds			
Copra, Philipp. ton	†$193 (j)	−3	$202
Gr'ndnuts Niger'n	†£104 (r)	+0.50	‡
Linseed Crude No.1	†£48 (q)	−0.30	£48.85
Grains			
Barley			
Can No. 2	£25.25	......	£27.45
Home Futures	£23.85	−0.175	£24.50
Maize			
No. 3 Yellow Am.	£27.70	−0.20	£30.70
S.A. Yellow Flint	‡	......	‡
Wheat			
No. 2 Manitoba	£31.43	......	£32.35
No. 2 Hard Winter	£30.05	......	£31.60
Australian	£29.25	......	£29.25
English Milling	£24-½	......	£30-½
Cocoa Shipmt (z)	£245.50	+0.50	£232
futures Sept.	£236.75	+2	£236.25
Coffee Shipment (c)	38.00	......	38.25
futures Sept.	£368 75	−1	£362.25
Cotton Liverpool cif index cents per lb.	34.05	......	33.55
Jute LJA PWC	†£145.50 (f)	......	£150.2
Rubber ...... Kilo	14 45p	−0.05	15.7p
Sisal EA 3L (a)	£76-79	......	£76-79
Sugar	£42.30	......	£44
Wooltops 64s ...... Kilo	90p	......	90p
Cloves	79p	......	79p
Pepper White ...... ton	†£452.50	+2.50	£455
Black ...... ton	†£360 (·)	+2.50	£355

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Canadian delivered. U.K. U.K. and Commonwealth refined. c Uganda Robusta grade 10 unwashed f.o.b. Mombasa cents a pound. d Pakistan white "C." w Ex-warehouse. z C.I.F. U.K. u Metric tons. r July. t Aug. s June-July. y Sept. k May-July. j July-Aug. m Aug.-Sept. q Oct.-Nov. o Nov.-Dec. p Sept.-Oct. x Jan.-Feb. n Dec. h Dec.-Jan. o Feb.-Mar.

INDICES

FINANCIAL TIMES

July 26	July 23	Month ago	Year ago
84.97	85.04	86.74	88.78

(Base, July 1, 1952=100)

REUTER'S

July 26	July 23	Month ago	Year ago
523.4	525.2	529.3	572.3

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	July 23	July 22	Month ago	Year ago
Spot	141.00	140.54	143.52	142.47
Futures	142.95	142.82	145.14	137.67

(Average 1924-25-26=100)

MOODY'S

Moody's	July 23	July 22	Month ago	Year ago
Spie Commod'y	369.0	360.6	376.2	407.5

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, July 26.

COCOA FIRMED on commission house and chartists' buying, but trade hedging pared the gains. Beneficial rains over Texas stimulated hedge selling which eased cotton. The soyabean complex closed lower as a lack of fresh incentives encouraged profit-taking. Corn firmed with rains and warm temperatures over the week-end favourable for the spread of blight, Bache reports.

Cocoa—Bahia spot 28 (27½). Ghana spot 28½ (28½). Sept. 25.90 (25.53), Dec. 25.9... (25.38), March 26.15, May 26.49, July 26.8..., Sept. 27.12, Dec. 27.47. Sales, 1,373.

Coffee—Santos No. 2/3 unquoted (same), Santos No. 4 unquoted (same), Colombian Mams 47.75 asked (same).

Copper—Sept. 49.25 (48.80 settlements), Oct. 49.30 (48.90 settlements). Dec. 49.... Jan. 49.55. Sales, 874 lots.

Cotton—Contract No. 1 Aug. 24.00 ... (same), Nov. 22.00 nom. (same), Jan. 22.00 bid, April 22.00 nom., June 22... nom. Contract No. 2, Oct. 30.01 (30.... 30.60), Dec. 30.56-30.60 (31.30-31.32), March 31.53, May 31.53 bid, July 31.75 bid, Oct. 29.70-29.75, Dec. 29.60-29.65.

§§Cottonseed Oil — Sept. 16.90 (same), Oct. 16.45 bid (same), Dec. 16... bid, Jan. 16.35 bid, March 16.35 bid, May 16.35 bid, July 16.35 bid, Sept. 16.35 ... Sales, nil.

φGreasewool — Spot 52.0 nom. (... nom.), Oct. 62.4 (57.5-59.5), Dec. 64.8-6... (62.0-63.0), March 69.0-69.6, May 70.9-7..., July 72.0-72.3, Oct. 73.0, Dec. 74.5-75.5.

Lard—Chicago loose 12½ nom. (... asked), N.Y. drummed 13½ (15 asked).

††Maize—Sept. 139¾-139½ (139¾), Dec. 135¾-135½ (134¼-134½), March 140½-1..., May 143½, July 144½-144¾.

‡Mercury—Sept. 280 (same), Dec. ... (same), March (280), May 280, July ..., Sept. 280, Dec. 280 settlements. Sales ...

‡Silver—Spot 156.2 (157.5), July 15... (156.90), Aug. 155.80 (157.10), Sept. 15..., Dec. 160.40, Jan. 161.50, March 16..., May 166.40, July 168.90, Sept. 17... settlements. Sales 890.

*Soyabeans—Aug. 335.7-336.2 (340-...), Sept. 333.2 (335¼), Nov. 325.0-325.4, Jan. 328.2, March 330.6-331.0, May 333.2, July 334.4.

‡Soyabean Meal—Aug. 87.40 (87.90-8...), Sept. 86.65-86.70 (86.75-86.85), Oct. 8..., Nov. 82.60-82.75, Dec. 82.50, Jan. 8..., March 82.90-82.95, May 83.60-83.70, July 84.30-84.40.

Soyabean Oil—Aug. 14.50-14.45 (14..., 14.80), Sept. 14.03-14.07 (14.15-14.20), Oct. 13.59-13.61, Nov. 13.15, Dec. 13.04-13..., Jan. 12.98, March 12.76-12.55, May 12..., 12.55, July 12.45-12.47.

Sugar—Contract No. 11 Spot 4.17 (..., Sept. 4.24-4.26 (4.17), Oct. 4.17 ... Jan. ... March 4.27-4.28, May 4.35-... 4.26-4.30, Sept. 4.26, Oct. 4.26. Sales ...

Tin—164.00-163.75 (asked) (164.00-...).

**Wheat—Sept. 151½ (151-151½), Dec. 154½ (1541-154¼), March 158½, May ... 157½, July 152½.

WINNIPEG, July 26—‡‡Rye—July ... (164 bid). Oct. 105½ asked (104), Dec. 105½ bid, May 107½ asked.

‡‡Oats—July 74½ (74½ bid), Oct. 74½ asked, Dec. 73½ bid, May 73½ bid.

‡‡Barley—July 112½ asked (11...), Oct. 112 asked, Dec. 109½ bid, May 109½ bid.

φFlaxseed—July 242 bid (240), Oct. ... (247½), Nov. 245 bid, Dec. 245½ bid, May 252½ bid.

Wheat—Northern Manitoba No. 2 ... (181).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. † Chicago loose lb. ... § Dec.—Dept. of Ag. prices previous day. Drummed 5's per 19 lbs. per 5 ... 2 5's per 76-lb flask. φ Cents per 60-lb bushel in store. ‡ Cents per troy ounce. ‡‡ Cents per 56-lb bushel ex-warehouse. ... Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. ... φ per short ton f.o.b. cars ... Decatur ... ** Cents per 60-lb bushel ex-warehouse. 1,000 bushel lots. ... 3 Basis Lubbock, Texas. φ New York July 100/lb bale.

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American News

U.S. delays Swiss bank regulation

By Guy de Jonquieres

WASHINGTON, July 26.

E U.S. Treasury has postjed the introduction of new ulations designed to inhibit use of Swiss and other eign bank accounts because the volume of protests from ierican banking groups and ancial institutions.

The regulations, which were l down in the Foreign Bank crecy Act passed by Congress t year, were to have taken ect on August 1. They will now be introduced until vember 1.

The Act requires commercial aks, brokerage houses and ier financial institutions to ep detailed records and copies cheques and documents used all foreign exchange transions of more than $5,000.

The Treasury has made clear at the measures are intended ecifically to clamp down on use of secret Swiss bank counts by American residents income-tax evasion and other egal purposes.

From the moment the regulans were published, however, ey ran into strong criticism m the commercial banks on e grounds that they involved tra work and expense which uld not be met without lengthy eparation.

The influential American nkers' Association, which has en among the most vocal of e critics, has said that one nk, with total resources of out $1,000m., has estimated at compliance with the Act will st it $177,000 in i nitial exnses and $350,000 a year in nning costs.

Sharp rise in machine tool orders

By Nicholas Colchester

NEW YORK, July 26.

MERICAN machine tool orders gistered a sharp rise in June ving this depressed industry me hope that the second half 1971 may produce the better nditions that the first six onths have so lamentably failed provide.

Orders for June were 22.8 per nt. ahead of those for May and me 15.5 per cent. better than ne of last year. They were in ct the highest since March, 70. Nevertheless the chief ecutives in the industry, who e pushing hard for a restoran of investment tax credit as Administration move that ould have a direct bearing on eir lot, still say that orders are ry low and that they are hoping r only a mild improvement, at st, in the demand situation er the rest of 1971.

Over the first half of 1971 chine tool orders were 26.1 per nt. below the six month figure 1970—a reflection of the tenncy for capital spending by dustry to lag behind other ctors of the economy in times economic upturn. The trouble the companies is that they ve been getting rid of surplus entories and this has had a d impact on their use of proction capacity.

Thus, compared with the 26.1 cent. reduction in orders, ual shipments were down 32.7 r cent. in the first half of this ar. Shipments in June, when order situation improved, re down by 32.7 per cent.

CANADIAN IMF DIRECTOR NAMED

By Our Own Correspondent

OTTAWA, July 26.

Robert Bryce, one of Canada's st experienced public serts, has been named Canadian ector of the International netary Fund in Washington. has been senior adviser to Prime Ministers. He rose the position as Deputy Minis of Finance and most recently been special adviser to Prime nister Trudeau on the finanl aspects of the constitution.

Mr. Bryce replaces Robert hnstone, who returns to Ottawa work for the Bank of Canada.

Scientists criticise light water reactor safety

BY DAVID FISHLOCK, SCIENCE EDITOR

EMERGENCY shutdown mechanisms now used on light water reactors would not prevent a major catastrophe if one of the main cooling lines were to rupture, according to four U.S. university scientists in a report on reactor safety.

They call for a total halt to the issuance of further licences for nuclear plants already under construction in the U.S., and a thorough review of emergency shutdown systems in operating plants.

The four are members of a *group called the Union of Concerned Scientists*. Their report contends that, if "one of the major cooling lines to a reactor were ruptured, the water circulating through the primary cooling system would be discharged from the system and the reactor core would be without coolant."

They do not anticipate a nuclear explosion, but claim the core would rapidly melt down *through its supporting structures* and the surrounding containment. A cloud of radio-active dust would thus be released, that could prove lethal "at dozens and in some circumstances at close to 100 miles."

Evidence

U.S. water reactors rely on a torrent of water from an emergency spray system to drench the core in the event of *a major failure of coolant* supply. Although Britain is currently re-considering reactors of this design as possible contenders for future stations in Britain, Whitehall believes the cost of safety measures required to meet British standards for sites within a few miles of large population centres may still price them out of the market. Britain originally *adopted a gas-cooled type of* reactor because of the scarcity of sites remote enough to match U.S. requirements for the evacuation of population in the event of a serious accident.

The authors of the U.S. report, "Nuclear reactor safety: an evaluation of new evidence," assert that although tests by the U.S. Atomic Energy Commission in 1957 discounted the possibility of the kind of accident they envisage, reactor design has advanced and reactors to-day are much bigger.

Operation of the emergency cooling systems now being installed was simulated in tests late last year at the AEC's National Reactor Testing Facility in Idaho. These tests, claim the authors, indicated that the emergency coolant system would fail at the same time as the primary coolant.

Brazilian Finance Minister defends foreign loans policy

BY OUR OWN CORRESPONDENT RIO DE JANEIRO, July 26.

SR. ANTONIO Delfim Neto, the Brazilian Finance Minister, has defended his policy of foreign borrowing in a move to head off nationalist sentiments which have been growing in the country in the past few months. He was *speaking to military and civilian* leaders at the Escola Superior de Guerra, the staff college, in Rio.

"A country can grow with external resources or without them. The intelligent use of resources from abroad permits development at lower social cost," he said. "It would clearly be an obtuse policy not to use our capacity for obtaining foreign credit.

"It is very clear we have the capacity to pay our debts without any great problems for the balance of payments," he said. "Even admitting the absurd hypothesis of covering the total debt we have the capacity to pay within a period of 18 to 30 months. Our reserves exceed the total of our short-term debt and the growth of exports covers both import purchases and the servicing of loans."

He argued that foreign capital could never be in a position to challenge national power. "In the first place, it is obvious that in Brazil political power is not in the same hands as economic power," he said. "In the second place we can see that the Brazilian state does not permit *foreign capital any position of* importance in the key sector of bank credit. Furthermore, national capital—whether private or state—controls production of the basic economic inputs: energy and iron and steel.

"In order to remove the possibility of problems in the balance of payments and to sustain the high level of our economic development," he added that, "we have to continue realising an internal savings level of around 21 per cent. of the Gross National Product and to pursue export expansion of between 15 and 17 per cent. per annum, using external credit to realise our development at the least social cost."

Hugh O'Shaughnessy writes: It would appear inevitable that the prices of inflated stocks on the Brazilian stock market will readjust themselves within a relatively short period, according to the latest monthly bulletin of the ADELA Investment Company. The Government does not want a collapse of the market, however, while wanting to stabilise it. "Even if the Brazilian stock market were to collapse in the future (although highly unlikely) its present success will have conclusively disproven the longstanding assumption that Latin American countries cannot generate savings."

CHILE

Hard slog ahead for Allende

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

AFTER the earthquake hit Valparaiso a fortnight ago the Naval Hospital there proudly announced that its prize patient Nelson Orellana, the man who has survived the longest in the world after a heart transplant operation, had successfully withstood the shock of the disaster. President Salvador *Allende will need the same sort* of resilience if he is to emerge unscathed from the tests facing him.

His policy is to seek the broadest possible modus vivendi with his western hemisphere neighbours. At the weekend he claimed his first diplomatic success by meeting his fiercely orthodox Argentine counterpart, President Alejandro Lanusse, at the Argentine town of Salta. He was able to bind up the running sore of the territorial dispute over the Beagle Channel off Tierra del Fuego and gave an undertaking not to export his brand of politics to other countries of Latin America. At the cost of alienating some of his more radical supporters who would have wanted him to meet the Cuban Premier before he went to see the general next door, he pulled off a major coup.

Storm

In the past few months he has shown his interest in the same sort of relaxed relationship with the U.S. He has said that Chile, for instance, would remain within the U.S.-controlled Organisation of American States. Nevertheless the policies he is pursuing are bringing him into sharp conflict with important sectors of opinion in Washington and New York. The storm swirls around the question of compensation for the assets of the three U.S. copper companies, *Anaconda, Kennecott and Cerro* which were nationalised along will all other mineral resources this month.

The companies' valuations of their worth are around $800m. The Chilean valuation in Dr. Allende's opinion, is only a small fraction of that. The depreciated book value of the assets, the basic value which Chile is pledged to pay back to the U.S. companies, must according to the Chileans be reduced by large amounts to take account of unpaid dividends owed to the Government for the State shareholdings, of "excess profits" made by Anaconda though devaluations of theescudo during the 1960s, and of the bad state in which mines such as Chuquicamata and El Teniente have been handed over to the Government.

According to French and Soviet technical studies these two mines have in recent months been stripped of their ore with no sort of consideration for long-term working operation. Chuquicamata, the world's largest open cast mine is, according to these reports, likely to have to be worked by costly underground methods before very long because of recent spoilation.

Whatever the rights and wrongs of the allegations, the mutual suspicions between a Left-wing Government which has just assumed responsibility for an industry that produces 80 per cent. of Chile's foreign exchange, and powereful U.S. companies *who feel they are about to be* cheated out of their just compensation, are clearly intense.

The International reverberations of the copper nationalisation are likely to be all the more noisy since much of the U.S. companies' investments in Chile were insured with a U.S. Federal agency OPIC. OPIC will be cleaned out if it has to pay the difference between what the companies claim their investment is worth and what Dr. Allende gives them. And Congress in Washington will want to know the reason why.

President Allende is also plagued by labour and managerial difficulties at the mines. Many U.S. technical staff have quit their jobs together with some Chilean supervisory personnel while the miners have reacted to the nationalisation of copper much as Welsh or Scottish miners reacted to Mr. Attlee's nationalisation of coal—by relaxed discipline and more carefree attitudes to their jobs. What with droughts and earthquakes as well, the State Copper Corporation has declared *force majeure* on some of its shipments from El Teniente and ENAMI, the Government body which controls output from the smaller mines, has threatened to follow suit. All this despite the *fact that a massive copper expansion* plan should raise production to 1.1m. tons a year by 1972.

It has been revealed that production costs at El Teniente have risen from 32 U.S. cents a pound last year to 50 cents this year. Bearing in mind the drop in the price of copper on the London Metal Exchange from the boom level of around 75 cents a pound last year to little more than 40 cents this year the situation is clearly serious.

Anxiety

Though reserves are thought to be fairly healthy after a long period of high copper prices the recent fall in the LME quotation must be causing some anxiety at the Central Bank. This anxiety must be compounded by Allende's reluctance to devalue the escudo which is making imports often ridiculously cheap. Chile's very healthy balance of 1969, when imports came to *$921m. against exports of* $1,061m., is unlikely to be repeated this year.

At the same time copper is so important to Chile, and its successful nationalisation such a point of honour with the Chilean leader, that the Government will do all it humanly can to see that efficiency is restored and the mistakes of the past corrected as soon as possible.

On the domestic economic front, too, Dr. Allende is facing a period of severe tests. The simple and unexceptionable strategy of the Popular Unity Government, as it was explained to me by Sr. Pedro Vuskovic, the Economics Minister, in Santiago the day after Salvador Allende's accession to office last November, is to increase the purchasing power of the poorest *Chileans*, provide plenty of work for Chile's under-utilised industrial capacity and at the same time keep prices down while enabling manufacturers to make smaller profits on higher volume.

Through a conscious policy of increasing the wages of the lowest paid workers by more than the increase in the cost of living—there was a 35 per cent. rise in 1970—Sr. Vuskovic has indeed sparked off his buying spree. The low levels of expenditure and manufacturing *activity that were the result of* the pre-election nervousness last year have been replaced by something approaching a consumer boom. Sales of household durables have shot up by anything from 30 to 200 per cent in the first quarter. The factories have very full order books indeed. Increases in output of cement and steel also show that industry is investing and building again. The Government has not however been so successful in containing price rises. The price control system has just not been strong enough.

In the agricultural sector production in some places has been dislocated by the efforts of Sr. Jacques Chonchol, the Minister of Agriculture, to push through *a quick and effective agrarian* reform. Dr. Allende's Christian Democratic predecessor, Sr. Eduardo Frei, had aimed to give 100,000 rural families their own land, but only managed to carry out a quarter of that promise. Now it is going much quicker. *Sr. Chonchol himself has admit*ted that as peasants have become their own masters productivity has fallen off.

Favourable

But *it is difficult to see how* the Government, if it really sets its mind to the problem, cannot make clear gains. Chilean agriculture has in the past few decades become chronically inefficient and demoralised. The central zone of Chile has the same climatic conditions as California, and can grow most temperate crops very well. If agriculture can be revived the Government will not only be able to keep food prices stable but also save much of the £50m. or more a year being spent, ludicrously, on agricultural imports. Better marketing, for instance of Chile's superb wines, fruit and vegetables, could in fact make Chile a net exporter of farm products.

With copper, with industry and with agriculture Dr. Allende has in the long-term, very favourable prospects. It is in the short-term that he will be in for some hard slogging.

DAC again criticises U.S. for aid fall

BY ADRIAN DICKS PARIS, July 26.

NET AID flows from the U.S. to the developing world during 1970 reached a total of $5,791m. and represented 0.61 per cent. of the Gross National Products, *according to figures put before the* OECD Development Assistance Committee by the U.S. Government last week during the annual review of U.S. aid policies.

But the 14 per cent. increase since 1969, the DAC notes, exclusive of private grants, was wholly attributable to private flows, mainly those from voluntary agencies. By contrast, the DAC expressed concern at the further decline in the level of official development assistance, *which dropped by $42m.* to $3,050m. in current prices, and fell from 0.33 to 0.31 per cent. of GNP.

This is the second year running in which the U.S. has been taken to task by the DAC for its level of its aid commitments, and in particular the decline in its official development assistance. Last year the U.S. Government came under some criticism at the committee's high level meeting, held in Tokyo. The committee complained that although U.S. GNP was about half the total of all DAC countries, the trend of its aid has been steadily downward.

Such criticisms may be repeated at this year's high level meeting expected to be held in September. The committee had some strong words for Japan last week because its total aid flow remained well below the target of one per cent. of GNP accepted by all DAC Governments.

Bahamas' tax increases

BY OUR OWN CORRESPONDENT NASSAU, July 26.

SEVEN measures designed substantially to increase the Bahamas' revenue through taxation and licensing registration *and work permit fees were passed* through the House of Assembly last week. A tax amendment raised the inland tax on cigarettes from 14 to 25 cents a hundred.

An amendment to the Petroleum Products Inland Tax Act in effect since July 20 increased the tax on petrol from 7 to 12 cents a gallon and on diesel oil from 5 to 7 cents a gallon.

An amendment to the casino tax act will levy a 17 per cent. tax on all casino winnings up to $17m., after $17m. the tax drops to 10 per cent., but none of the Bahamas' three casinos has ever paid out that much.

New company registration fees were more than doubled. Licensing fees for banks and trust companies were tripled, the limit of Treasury Bills at issue from $8.5m. to $15m. by resolution of the House.

A new schedule of fees for work permits was also tabled but does not require the House's consent. The fees for permits for most categories of workers have been doubled.

The Government also announced it was to replace the current annual work permits for expatriate workers with permits issued for any period of up to three years; but no non-Bahamian will be allowed to work here for more than five consecutive years.

PANAMA 'MAY RECOGNISE CUBA'

NEW YORK, July 25.

PANAMA'S President General Omar Torrijos may recognise Cuba *unless the U.S. gives him* full control of the Panama Canal Zone, Newsweek magazine said here to-day.

General Torrijos "apparently thinks the thought of Castro representatives in so sensitive an area will prompt the U.S. to give Torrijos a deal that will make him a national hero," the magazine added. Reuter

Uruguay opposition in disarray

BY OUR OWN CORRESPONDENT MONTEVIDEO, July 26.

SPLITS in the opposition Blanco arty have reduced the chances that President Jorge Pacheco will be impeached by the Uruguayan Congress. Senator Martin R Echegoyen, a leading Blanco, had conversations at the weekend with the Defence and Interior Ministers after which he decided to throw his influence against the proposal when it comes to be voted on in the Senate on Thursday.

Last week the Chamber of Deputies called for the impeachment after President Pacheco's action in continuing a virtual state of emergency against the wishes of Congress. The Government contends that special measures are needed to combat the Tupamaro guerillas.

Nevertheless in a very fluid situation the President is not entirely safe. Senator Wilson Ferreira Aldunate, another leading Blanco and candidate for the residency in November's general elections, is supporting the impeachment alleging that the special powers have not led to any solution of the Tupamaro situation. Two leading Tupamaros Sr. Juan Almiratti and Sr. Raul Bidegain escaped from jail recently.

There is speculation here that Senator Echegoyen's action may be dictated by fear of a military takeover which would be hastened by any impeachment. Senator Washington Guadalupe, an Echegoyen supporter, commented: "The principal objective must be to hold a free election."

Another conceivable reason for Senator Echegoyen's attitude is that he may fear Brazilian intervention in Uruguay if the impeachment move goes through. The current number of the left-wing weekly Marcha publishes an account of supposed Brazilian plans to invade Uruguay before November. The pretext would be that a victory of the left wing Frente Amplio would increase left wing influence in South America following the victory of President Allende in Chile last September and that a victory of either of the traditional Blanco or Colorado parties would be indecisive and encourage further Tupamaro activities.

Uruguayan nervousness has ben increased recently by two articles in the influential daily 'O Estado de São Paulo's hostile to Uruguay which, according to observers here, would not have escaped the censor had they not reflected official Brazilian opinion.

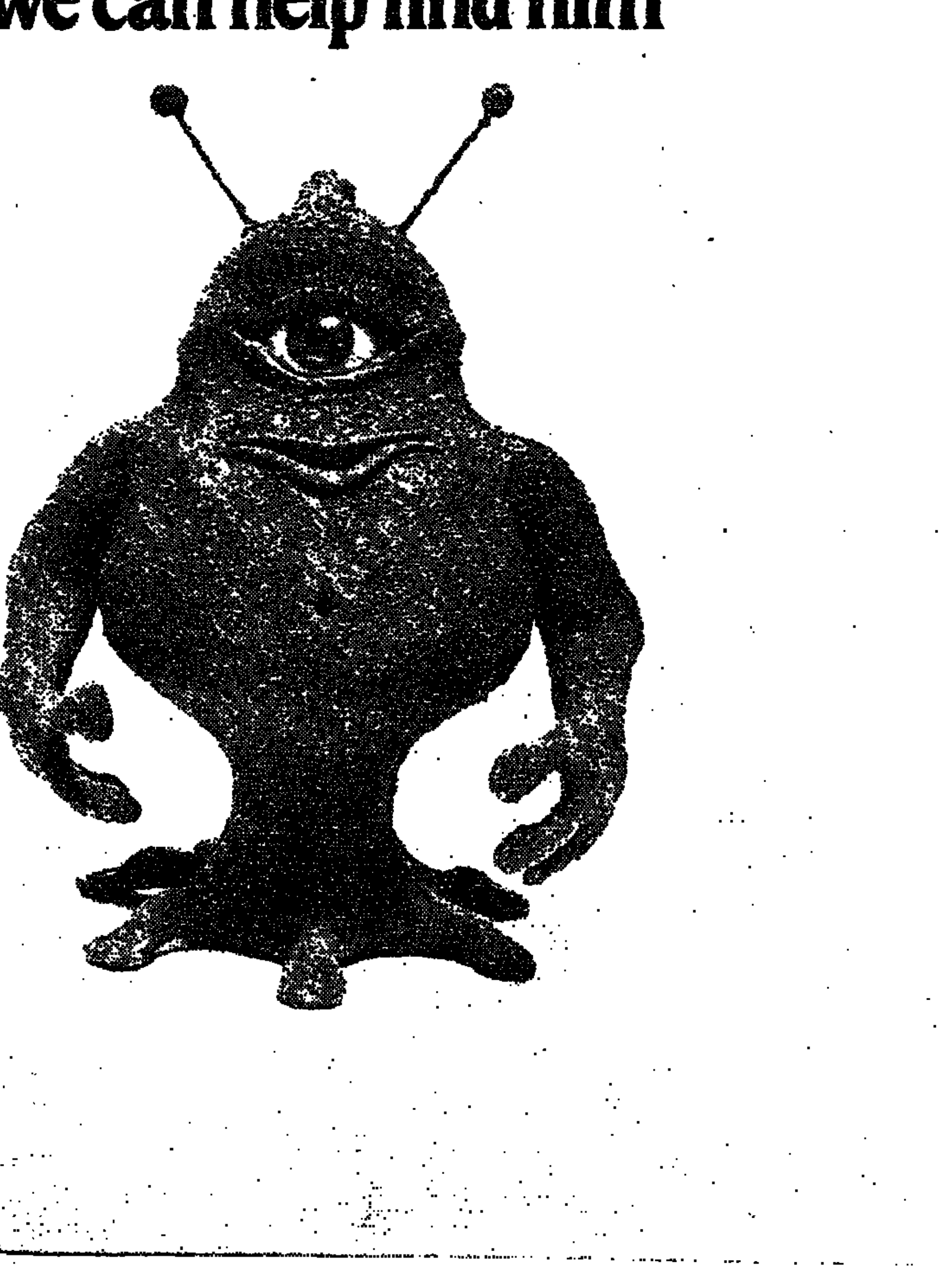
West Indian federal plan

By Our Own Correspondent

BRIDGETOWN, July 26.

WHAT COULD be the first step towards a new West Indian Federation was taken at the week-end when the Guyanese Government presented the Associated States (St. Kitts-Nevis-Anguilla, Antigua, Dominica, St. Lucia, St. Vincent and Grenada) meeting in Grenada with a paper on political federation.

The conference, the second of its kind within a month was convened by Guyana, was called to consider the Anguillan situation. Among those attending was Mr. Forbes Burnham, the Guyanese Premier, and all the premiers of the Associated States. Neither the Trinidadian, nor the Barbadian nor the Jamaican Premiers decided to attend.



Export News

Boost for car sales to North America

In the first six months of this year, the Austin Morris division of British Leyland increased its exports to North America by 25 per cent. Nearly 25,000 cars were shipped, against 20,000 during the same period last year.

British Leyland's top salesman in the U.S., Mr. Paul Nethercott, has alone sold well over 600 cars, mostly MGBs and MGB GTs, MG Midgets and Austin Americas. For the fifth year running, he has won the Austin Morris "Century Sales Award," and as a special prize has been invited to the U.K., together with his family. The picture shows Mr. Nethercott (right) and Mr. Ken Smith, director of export supplies at the Longbridge headquarters of Austin Morris.

Another welcome boost to car exports to the U.S. is reported by Lotus, whose sales manager, Mr. Roger Putnam, has just returned from there with a "massive" order for the full range of Lotus products.

The initial order is said to be worth over £300,000, and "further orders will follow in the near future," according to Lotus, which added that, "following the opening of the company's £0.5m. body manufacturing plant last week, these orders come as a most encouraging sign."

Ducks for Russia

CHERRY VALLEY, the duck farm has finalised the sale and delivery of 6,000 duck breeding stock to the Soviet Union, it claimed yesterday.

The last consignment has now been dispatched. The birds going to two farms, one near Minsk in the West, and the other near Alma Ata not far from the Chinese border.

Mr. Dmitri Kovinko, director of the Russian Hazahsky selection station, said tests had been carried out under climatic conditions similar to those in Britain, using breeding stock from many countries. "But we have found, after the most exhaustive tests, that the Cherry Valley bird is by far the best in the world."

Ducklings constitute 25 per cent. of all Russian poultry. Since Russia has more than 240m. people and needs to increase its meat production, the prospects of duckling being produced on a large scale are extremely high.

Cherry Valley farms already export one-day-old ducks to many other countries. Mr. John Stanton, the managing director, said, "the Russians set a very high standard for their requirements. Before they placed their order I paid two visits to Russia in the past five years and we have had four Russian technical delegations here to look at the farm and see the performance of our stock. If the Russians are successful with their initial purchase, I anticipate continuing business."

Business in Norway

DEN NORSKE Creditbank, of Oslo, Norway, has just published the second edition of its reference book, Doing Business in Norway—an introduction to Norwegian business legislation.

The authors are attorneys-at-law Arntzen and Bugge. They first wrote their book in 1968, but since then the tax system in Norway—among other things—has been changed, and they have now brought the information up to date.

Copies of the book can be had from the bank's foreign department, Kirkegt 21, Oslo 1.

Tubes

ENGLISH Electric Valve has received an order worth nearly £18,000 for direct view storage tubes to be used in the Marconi S3006 radar displays being supplied to the Canadian Ministry of Transport.

Surveys of South German and Swiss markets

THE BNEC Export Council for Europe has produced three new market surveys. Two refer to the "rich" and "under-exploited" South German market. The third covers Switzerland's agricultural machinery requirements.

Report No. 1 on South Germany is a general market study, which can be had free of charge. Report No. 2 is a study of the South German market for capital goods and components, and costs £5. These two reports were commissioned by BNEC from PA Management Consultants for the BNEC international marketing course held in Stuttgart last year. They have been up-dated and could be particularly valuable in the context of the British trade drive in South Germany 1972-3, and of Britain's possible entry to the Common Market.

The first report describes the structure and location of industry in the two south German provinces of Baden-Württemberg and Bavaria, which have been described by the German Government as special development areas. Covered are business legislation and practice, aspects of distribution and of establishing a subsidiary. Patterns of consumption, trends in advertising and sales promotion are also dealt with, and there are sections on taxation, German banking systems and terms of payment.

Report No. 2, on capital goods and components, lists the main industries, the main firms in those industries and the main products required. It outlines practical steps towards an attack on the South German market for capital goods and components, worth (in total) around £2,000m. a year. Calculated costs of sales organisation and transport are given, showing delivered prices to customers. Tariffs and customs regulations are also listed.

The Swiss Agricultural Report was prepared for BNEC-Export Council for Europe by Unternehmen und Markt, Rheinfelden, in support of the British trade drive in Switzerland 1971. It costs £2.

Various methods of farming are outlined, including grassland, grain and cereal, and livestock including pig-farming. Details are given of the types of machinery used, including tractors. Importers of agricultural machinery, and agricultural co-operatives, are listed. Special sections deal with Swiss testing and approval regulations, federal subsidies and advertising including fairs and exhibitions.

The reports are available from BNEC Publications, 6-14 Dean Farrar Street, London, S.W.1.

Natwest for Germany

WESTMINSTER Foreign Bank, wholly-owned subsidiary of National Westminster Bank, intends to set up a branch at Frankfurt, West Germany, early next year.

It is pointed out that this will not just be a representative office, but a fully operative branch, employing 16 people initially, with more to follow.

Usual banking jobs will be undertaken, and in particular the branch intends to deal with such British, German or other international organisations which it used to service from London.

The Frankfurt branch will be National Westminster's first in West Germany. It already has six in France and two in Belgium.

Chance for U.K. sweets in Japan

By Our Own Correspondent

TOKYO, July 26.

BRITISH CANDIES are likely to achieve heavy sales on the Japanese market from early autumn as a result of the liberalisation of candy imports, fear Japan's leading confectionery manufacturers.

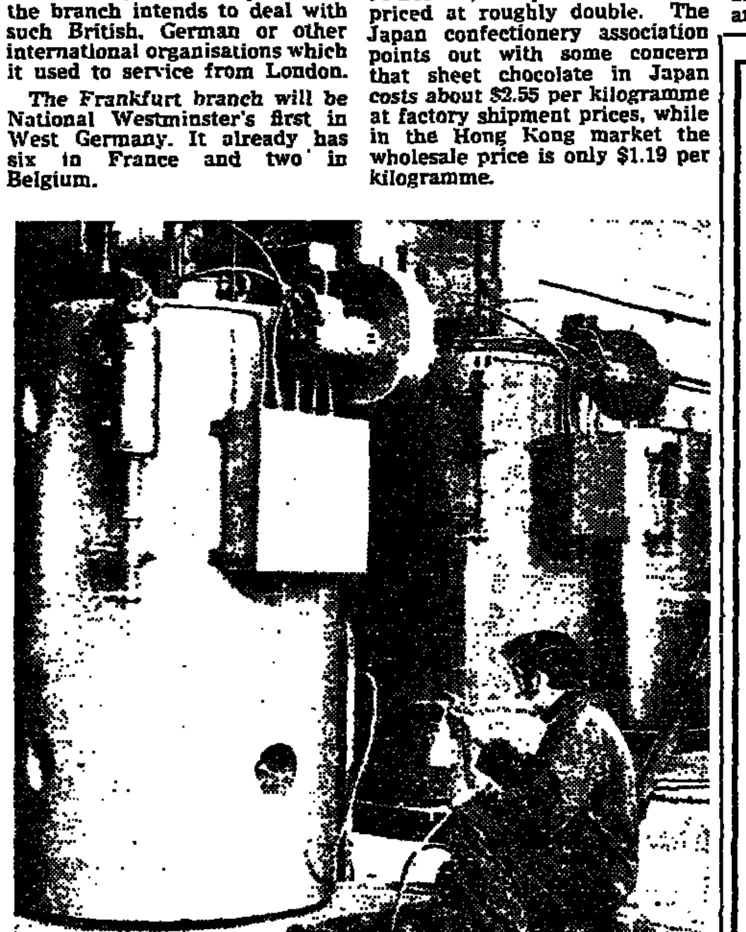
Representatives of major Japanese candy makers recently called on the Ministry of International Trade and Industry to explain their inability to compete with foreign confectioneries, and to seek lower prices on imported sugar and powdered milk. Previously they had asked the Finance Ministry to reduce the consumption tax on sugar to assist them in meeting foreign competition.

Imports of foreign candies are presently limited to 2 to 3 per cent. of total domestic production by means of quotas and tariffs. However, the import quota system is expected to be eliminated late in September. Japanese imports of confectioneries in 1970 amounted to a total value of about $14m. and might have doubled by the end of 1972.

Japan's consumers seem to prefer British candies over local and other foreign confectioneries. Yet the operation of the quota system has kept prices high. The result has been that the sale of British candies on the Japanese market is mostly limited to major cities.

After September it is, however, expected that British confectionery manufacturers will be shipping increased amounts of less expensive sweets and to launch extensive advertising campaigns. American, French and Swiss candy makers will undoubtedly do the same. Japanese candy companies realise this and fear that they may find the competition unbeatable.

The price of sugar in Japan is about 50 per cent. higher than in Britain, and powdered milk is priced at roughly double. The Japan confectionery association points out with some concern that sheet chocolate in Japan costs about $2.55 per kilogramme at factory shipment prices, while in the Hong Kong market the wholesale price is only $1.19 per kilogramme.



An export order for 50 fully automatic oil-fired tubeless steam boilers to be used in a new chain of dry-cleaning shops in Australia is the first part of a contract won by Fulton Boiler Works (Great Britain), of Bristol. Fulton's customer, supplied through the company's Australian agent, Edgar Davis Pty., is, after field trials and exhaustive investigations by its own engineers, ordering additional boilers to replace plant in existing shops, it is claimed. Fulton states that it is exporting over 20 per cent. of the boilers produced, with current orders from Africa, Ireland, New Zealand, Singapore and South America.

'It's all Greek to me . . .'

"IN THE END I was so confused that I gave up trying to calculate what duty my Greek customers might have to pay on my car bulbs," Mr. Michael Shocket, managing director of Florida Autobulbs, said yesterday. "But I am happy with the deal," he added.

Passing through Athens on his way home from Hong Kong, Mr. Shocket picked up an order worth £80,000 for the car bulbs Florida—of London—produces. "During all the negotiations I forgot to ask them about import duties. So, on my return, I tried to work it out from here. I asked my secretary to telephone the London Chamber of Commerce. I thought she'd just get a simple figure. But what she got was a list. And I still haven't a clue." This is that list:

"On all goods imported to Greece there is a basic duty of 6.8 metal drachmas, plus 38.25 metal drachmas per 100 articles. In addition, there is a levy on the cost, insurance and freight value made up from: University Tax 0.5 per cent.; Exchange Control Contribution Tax 0.15 per cent., and Stamp Duty at 4.5 per cent. of the duty already paid.

"To calculate the uplift, take the cif value, plus duty, plus Exchange Control Contribution Tax, plus University Tax, uplift by 20 per cent. and take 8.75 per cent. of all that.

"Then there is a Farmers' Social Security Assistance Tax to be paid on duty plus Exchange Control Contributions Tax and Turnover Tax at 1 per cent. of these taxes.

"There is also an Agricultural Insurance Tax of 0.1 per cent. of the above, Customs Officers' Pension Fund at two paper drachmas per import; Statistical Duty at 16 leptas a ton, and a State Orphanage Tax at 5 leptas a ton."

Danes pick UK management course

THE EAST ASIATIC Company, of Copenhagen, has picked Sundridge Park Management Centre to run its first management training course, PA Management Consultants, which sponsors the centre, announced yesterday.

East Asiatic, a trading company with its own shipping line, consisting of some 30 vessels, and also acting as agents for, among others, Volkswagen, and with interests in pharmaceuticals, steel and soya beans, employs over 30,000. Its turnover last year was in the region of £500m.

To get this valuable training contract, Mr. Len Sneddon, director of Sundridge centre, on hearing that the company had invited leading Danish training centres to submit proposals, flew to Copenhagen the next morning to talk about Sundridge Park and its courses. "The result of that was that the company invited me back to present detailed proposals and we then won the day," he said yesterday.

Traditionally, the East Asiatic Company has recruited its managers straight from school and after service at the company's headquarters in Copenhagen they were sent all over the world. East Asiatic became aware, however, that the managers from whom it would draw its senior staff lacked formal management training.

Throughout last week and this week 24 senior men from as far afield as Hong Kong and Bangkok are attending the course, held in the aDnish Conservative Party's headquarters.

Boilers

ORDERS worth about £360,000 for the supply of auxiliary boilers to shipbuilders in Japan and Brazil have been won by Spanner Boilers, a member of the F. H. Lloyd Steel Founding and Engineering Group, it was announced yesterday.

WINE

Tasting the 1970's

BY EDMUND PENNING-ROWSELL

SUCH IS THE interest in the 1970 clarets that a number of wine merchants have been circulating their customers with cash-with-order offers of these wines, ranging from first growths up to £88 a case, down to modest Côte de Blayes at less than £10. Some are priced f.o.b. Bordeaux, others include current duties. I have also had letters from readers asking for advice on what to buy.

This is a difficult problem. There is no doubt that 1970 is a fine claret vintage, although no responsible expert in Bordeaux is yet prepared to say how good. Many people are fond of trying to establish the quality of a vintage in relation to its predecessors. Are the '70s like the '66s, the '61s, the '59s . . .? The answer is, as anyone with a wine memory will agree, that no claret vintage is really like another; that is one of the great points of interest with claret, and to a greater or lesser degree with all quality vintage wines for which climate and weather play a decisive part in determining the quality and quantity of the annual crop.

Two points

In recent months in London there have been a considerable number of trade tastings of 1970 wines; and among the clarets two points have repeatedly stood out: the remarkable depth of colour of the wines, and a forwardness partly owing to a certain lack of tannin, which derives from the skins and imparts the hardness and firmness which preserve a wine as it develops. Too much tannin and the wines turn out like the ungrateful '34s and '37s; too little, and they can be too soft and slip away like the '63s.

However, the '53s never had much tannin, were drinkable early, and can still be charming wines, though a number are fading. Some people suggest that the '70s may resemble the '53s, although these were never remarkable for their colour.

There are those who say that the '70 clarets will gain in tannin, perhaps with a little assistance from the vin de presse, the wine made after pressing the skins and only occassionally or marginally added to the grand vin, to give it a little more body.

Whatever the outcome of these 1970s, amateur wine drinkers need be in no hurry to buy wines which are in plentiful supply, will not arrive here for a couple of years, and probably should not be drunk for at least five years after that. The wines may develop considerably before they are generally offered to British wine drinkers in the normal course of trade, and in my view it is worth waiting and paying the extra that the '70s may then cost (although taking into account interest charges, etc., the difference may be minimal) for the greater ease and assurance of choice—and the wider range of wines—then available.

Institutional buyers, with regular funds available for vintage wine purchases, may find it worth while to take advantage of these exceptionally early offers, and no one can blame wine merchants wishing to turn their money over quickly, but private customers who buy to drink rather than speculate in wine can afford to wait.

Of course, in successful years like '70, estates of repute usually make good wine, and one might be reasonably safe in buying a case or two of growths recently found to be reliable. But one should bear in mind the poor showing of some very prominent '64s (another vintage much praised at the time); and even in '61, so highly esteemed, there are several classed estates who made wines that I can only describe as deplorable.

Recent tastings

Nevertheless, while claiming no expertise in the most difficult task of the professional wine buyer—the selection of vintage wines only a few months after they have been made—some notes of wines which I particularly liked at recent trade tastings may be of interest for the future.

At the unusually comprehensive Percy Fox affair (they represent Cordier, who own Gruaud Larose, Talbot and Meyney), I was particularly struck by the Malescot, the classed Margaux growth whose wines have been showing better in recent years, and the inexpensive La-Tour-de-By from the Médoc. (I could not taste seriously either the Gruaud Larose or the Talbot, as they were fermenting slightly).

This extensive tasting also included a range of vintages back to '62. The '69s showed poorly compared with the '70s although both Ducru Beaucaillou and Talbot had the fruit that others seemed to lack; and the '66s were clearly superior to the '67s; the '64s were patchy, the '62s acceptable but unexciting.

At the showing of De Luze wines, organised by their agents, G. W. Thoman, two low-priced '70s that appealed to me were Barthez and de Malleret, both Haut-Médocs; and among the classed growths Beychevelle and Calon Ségur had plenty of fruit.

Cruse's agents, Rutherford, Osborne and Perkins, mostly showed wines from estates associated with the firm and family. Among these a modest Blaye wine, Menaudat, was light and soft, and should drink well early even if it does not last, and so should the fruity Taillan, produced near the Médoc border with the Graves. But the wines I liked best here were the forward La-Tour-Figeac of St. Emilion and L'Enclos of Pomerol.

Avery's in a small tasting included Bordeaux and Burgundy—always a difficult combination as they tend to kill each other, although the clarets were all from the fruitier Pomerol and St. Emilion districts. The '70 Moulin-du-Cadet (surely a near pass-off!) had good colour and body, and the La Conseillante, Pomerol, even more; but then one might expect something rather special at a trade price of £421 per hogshead of 24 dozen.

Although normally an admirer of the Barton wines, I did not find either the Langoa '70 or the Léoville '70 showing very well in April. It will be interesting to see how they have developed in another 12 months.

With regard to other '70s, the red burgundies that I have sampled seem to lack fruit and body, but Avery showed two very fine 1970 white burgundies, including a Chassagne and a Bâtard Montrachet. The general view is that the reds were better in '69 and the whites in '70.

German wines

Several tastings of German wines confirmed the indifferent quality of the '70s compared with the '69s. As at the moment, prospects there for '71 do not appear too bright, and as the German mark is more likely than not to appreciate, German wine amateurs are well advised to lay in soon the excellent '69s which were probably bought here at "pre-float" prices.

Finally back in Bordeaux claret drinkers may best expend their current wine budgets on filling the gaps in wines already available for sampling in bottle, and leave the '70s to look after themselves for a year or two. In Germany they may sell their numbered casks of individual wines within weeks of the vintage, in Burgundy the Americans may have bought all the domaine burgundies by Christmas, but in Bordeaux for several years there is seldom any shortage of a good vintage.

New NatWest scheme to promote staff incentive

BY MICHAEL BLANDEN

UP TO 50 awards of overseas tours and visits are being offered to employees of the National Westminster Bank in a new scheme to promote staff incentive.

The schemee follows the success of the initiative which the bank took earlier this year through its "The Big Difference" campaign, which offered prizes to staff on a points basis for bringing in new business.

The latest scheme, following an initiative by Mr. W. B. Davidson, the bank's chief executive, is on a broader base. Called the "chief executive's awards," it enables branch and departmental managers to put forward any member of staff with a minimum of five years' service up to the rank of sub-manager.

The criteria are phrased in broad terms to cover contributions to the growth or importance of the bank's business, services "which have cemented good relations with customers or enhanced the bank's reputation," contributions to the improvement of staff relations and "exceptional support to a manager in promoting or maintaining the effectiveness of a branch or department."

Each year the bank will pay for award winners to spend up to four weeks paid leave in Western Europe, the U.S. or Canada, and is willing to provide up to £250 in each case for wives and husbands to accompany the selected candidates.

Jersey stamp to feature Millais painting

SIR JOHN MILLAIS' The Boyhood of Raleigh is one of four paintings by Jersey artists to be featured on the island's next commemorative series of stamps, which will be issued on October 5.

Millais was born in Southampton in 1829 of Jersey parents. His work will appear on the 7p stamp.

The other paintings chosen are by artists who were born in the island. They are Tante Elizabeth by Edmund Blampied, The English Fleet in the Channel by Peter Monamy, and The Blind Beggar by W. W. Ouless. They will be shown on 2p, 2½p, and 9p stamps respectively. The series will be printed by the Swiss firm Courvoisier.

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European News

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/ Dominick J. Coyle

DUBLIN, July 26.

:TISH-OWNED companies in and have been warned by the .ce here to improve their urity precautions. This fol- s the discovery of incendiary ices in the local offices of AC *and in a British Rail park-* compound.

'he home-made incendiary de- es discovered at the week-end said to be similar to those nd in various business pre- es in Belfast in recent nths, and it is assumed that *y were planted by extremist* oublicans.

'he security authorities have n concerned for some months t militant Republican organi- ions, including both factions the IRA, might increasingly n their attention to British- *ned property in the Republic.* There has been a rash of jor fires in Dublin over the t year, and incendiary devices re been found in city-centre siness premises with no oarent British connections. ese incidents have generally n attributed to extremist otestants from Northern Ire- d, since the militant Ulster lunteer Force there has eatened that "Dublin will rn."

But the latest attacks aimed ecifically at British-owned npanies can hardly be the rk of the UVF.

Records for [rish exports

By Our Foreign Staff

ISH exports last year rose to eir highest ever volume and ue, according to the annual oort of the Irish Export Board *blished to-day. And in the first* f of this year exports are esti- ted to have risen to £260.1m., npared with £222.4m. in the ne period last year, according Mr. Gabriel P. Lee, general nager of the board's London ce.

Exports last year were worth 7.9m., compared with £404.2m. 1969 and with £152.4m. in 0. This was a 207 per cent. rease in value terms from 1960 1970.

New difficulties for W. German motor industry ahead

BY CHRISTOPHER LORENZ FRANKFURT, July 26.

THE CATALOGUE of the West German motor industry's problems and uncertainty has lengthened with the announcement of Government plans for a maximum speed limit of 100 k.p.h. (about *66 m.p.h.) on all* roads except motorways. At present the Federal Republic has no general *maximum* limit.

The industry is suffering rising costs and increased foreign competition. While it will be some time before the effect of the proposed speed restriction on sales is fully researched, the industry association has already reacted critically, as has a spokesman for Porsche, the maker of one of the country's fastest cars.

There is bound to be heated discussion about the plan in the next few months—as the summer road toll mounts—and the Bundestag transport committee may attempt to increase the ceiling slightly before legislation is presented to Parliament.

*The motor industry's difficul*ties have been amply illustrated by the recent spate of annual *reports,* showing *falls* in net profit last year of between 10 per cent. (Ford) and 42 per cent. (Opel and Volkswagen). For many of them, despite increased sales this *year,* the *situation* is getting worse. Costs are continuing to rise—with new wage talks due in the autumn—and the foreign challenge is becoming more menacing.

According to the latest reports, foreign manufacturers had a *24.8 per cent. share of total* German new car registrations in the first five months of the year, compared with 22.5 per cent. in 1970, and 20.4 per cent. in 1969.

German makers can gain a little satisfaction from the fact that in the first six months of *this year* they *exported* 55.5 per cent. of the vehicles produced, compared with 53.4 per cent. in the same period 1970. In the wake of cost inflation and the floating of the D-Mark, some of them at least are sceptical about the effect this will have on the *profit and loss account.*

On the other hand, the industry association sees few signs of an easing in domestic demand. A record total of 1.359m. new vehicles were registered in the first six months of the year, an increase of 7.9 per cent. on the *same period in 1970. German* vehicle production was up by 7 per cent. to 2.154m. unit; (*1.767m.* of them cars) and exports rose by 11.3 per cent. June vehicle output was up only 4 per cent. on a year before but the average daily production of *19,054 was a record for the* second month running.

France to buy £300m. worth of Soviet gas

BY ADRIAN DICKS PARIS, July 26.

FOLLOWING West Germany and Italy, France is to become the third West European industrial country to buy natural gas from the Soviet Union. According to an agreement announced in Moscow over the week-end *after the meeting of the Franco-*Soviet trade commission, France will take 2,500m. cubic metres of Soviet methane a year for a 20-year period beginning in 1975. It will pay some Frs. 200m. (£15m.) a year.

Natural gas has been one of the subjects regularly on the agenda of the trade commission's meetings for the past two years or more. Agreement has been held up by Moscow's unwillingness up to now to name a price considered economical by French *energy experts,* and *also* over the issue of transporting the Soviet gas to France through the West German grid.

It has been reported that French and West German interests could not agree over the transport costs for the gas. Moreover, the Soviet gas would have had to be processed twice in order to comply first with West German and later with French requirements.

Interestingly, the deal an*nounced over the week-end by* the French Finance Minister, M. Giscard d'Estaing, did not specify how the Soviet gas will be transported to France. One possibility would be to carry it by sea, and a number of large methane carriers are currently under construction in French shipyards for which no specific traffic has yet been announced.

Meanwhile, France has also agreed to increase the total of Government backed credits to Frs. 1,200m. to cover Renault's *participation in construction of* the giant Kama River lorry factory. Discussions for this with a number of Western motor manufacturers have been underway for over a year.

TRADE UNIONS IN THE EEC

A long way from a common front

BY LORELIES OLSLAGER

FILED away somewhere at TUC headquarters there are a number of messages from European *trade unions* urging their British brothers to support the Common Market. It should be fairly clear by now to the writers that their efforts were to no avail. Where Europe is concerned, most British and continental trade unions are on opposite sides of the fence.

This does not mean that the European unions are unreservedly happy with the EEC as it is (only recently Herr Otto Brenner, the powerful West German metal workers' boss *launched a harsh attack on its* "neo-capitalist" character), but what they want is more, not less, co-operation and integration. Their ultimate goal is a united Europe with supranational institutions and a powerful parliament.

Close-knit

Political idealism apart, the European unions feel that only a more closely knit community can produce the social and employment policies they want to match the advantages the Common Market offers to industry and business. They were therefore particularly upset at the rumpus over the floating of the D-Mark, which jeopardised the precarious first steps the Six have taken towards monetary and economic co-operation. "In a customs union—and that's all the Common Market is so far—we are weak. In a monetary and economic union we shall be stronger," explains M. Théo Rasschaert, secretary general of the biggest union grouping in the EEC, the European Confederation of Free Trade Unions (ECFTU).

Inevitably, the unions do not quite live up to their ideals in practice. When Germany decided to float the D-Mark, the European trade union establishment was much disconcerted to find its German comrades had not tried to stop it. The leadership of the Christian unions is openly lamenting nationalist tendencies among its members. But the unions can claim with some justification that it was not they who kept nationalism strong in Europe and that it is not their fault if they have to think and act mostly within the national framework.

The European union movement is not only split along national but also along ideological lines. The Social Democratic ECFTU will be the natural home for the TUC if Britain enters the Common Market. The TUC already sends representatives to the meetings of the ECFTU executive committee, but according to informed sources the British delegates refuse to take part in substantive discussions. The Christian unions, now called World Confederation of Labour, have their own separate European organisation which has so far worked closely with the ECFTU, although of late they tend to be more radical than most of the Social Democrats.

The big Communist unions of France and Italy, the CGT and the CGIL, opened their own joint standing committee in Brussels in 1967, and have by now been officially recognised by the EEC institutions. The ECFTU, on the other hand, will *have no* truck with them whatsoever and forced the Christian unions to abandon any idea of co-operating with the Communists. Of the two, the CGT is far more critical of the EEC as a "capitalist, monopolist" grouping than the CGIL.

Under the Rome Treaty, trade unions are officially represented on a number of advisory committees to the European Commission and the Council of Ministers, but they have always complained that they do not have enough opportunities to make their voice heard.

There was a time in the early years of the EEC when the meagre output of official channels of communications was to some extent compensated for by close unofficial relations between the unions and the European Commission. These days are long gone. To-day, union leaders have even harsher words for the Eurocrats' alleged inefficiency and closed minds than for the Council of Ministers, which for years they accused of obstructing any steps towards a European social policy and of refusing to co-operate with the unions on the European level.

Comparing the social provi*sions of the* Treaty of Rome (which in the unions' eyes were inadequate anyway) with what has been achieved so far, the unions do indeed have reason to complain. Under Article 117 of the Treaty the Six are committed to equalise working and living conditions within the Community, and to do so by a process of levelling up rather than levelling down. Article 118 calls upon the Commission to "promote close collaboration between member states in the social field." It singles out matters such as labour legislation, training, social security, trade union law and collective bargaining.

That there has been a general improvement in living and working conditions in the EEC the unions do not deny—indeed they advance it as justification for their continued support for a Community that in so many ways has fallen short of their expectations. What they lament is that there has been not enough "upward" social harmonisation and practically none of the close collaboration in the social field called for.

Watered-down

Not even the few comparative *successes the unions had in* the past year seem to cheer them up. The European Commission has incorporated a watered-down version of the ECFTU's demands for workers' representation and participation in its proposal for a European company statute. The unions were by no means of one view on the matter. The militant Belgian and Italian members of the ECFTU were forced to endorse the demand under the rule of majority decisions introduced a few years ago, doubtless in an effort to set a good example to the Council of Ministers. But strong employer opposition may well keep the front united. Even the French Communists, vehemently opposed to any thing that smacks so much of class co-operation as a union role in management, reserve their position at the moment because they do not want to vote with the "patronat."

Far more important for the unions, however, was the creation of a permanent committee on employment, composed of representatives of both sides of of industry, the Council of Ministers and the Commission. It is to look into the employment situation in the Community and *advise the Council and the Com*mission. The trade unions, worried about regional policy, sectoral and structural unemployment and problems of rationalisation, had pushed hard for such a body, albeit with greater powers than it was finally granted. The WCL was frankly critical of its limited mandate, but M. Rasschaert—expressing strongly his disillusionment with the Commission—thinks it will be valuable because it will be a forum for direct Community-level talks between the unions and representatives of the Council of Ministers.

The third modest success the unions have had is a change in the rules of the European Social Fund, which was set up *initially to refund to national* governments half the cost of retraining or resettling unemployed workers. Under the new rules, the fund will also be used to help workers in danger of losing their jobs because of the implementation of Com*munity policies, rather than* coming in only after the fact. But a bitter dispute broke out between the unions and the Commission over regulations which the latter issued after the reform was agreed.

Relations between unions and employers at European level are limited. Both pressed for the Employment Committee and, as everywhere, real or imagined external threats to an industry bring about solidarity of sorts. Thus European textile employers and workers recently made joint representations to the Commission about the dangers of Europe being flooded by cheap textiles and about the problems of the industry in general. There are also a small number of joint committees for various industries, particularly those for which the EEC has a common policy such as transport, agriculture and fishing.

For agriculture, there has even been a European "collective agreement," but it only makes recommendations that are not binding concerning the hours worked in industry in the member states. Europe-wide talks are going on at the moment about pay, social conditions and problems of rationalisation in the fishing industry.

Anything like real collective bargaining at European level—or even a co-ordination of union demands—is still a long way off. The ECFTU in 1965 set a number of goals for its members, in*cluding a 40-hour, five-day week,* four weeks holiday on double pay and guaranteed income for workers while they are incapacitated. Yet even these limited demands have not yet been met Community-wide.

The ECFTU has a collective bargaining committee which is trying to work out a common approach in other fields, and M. Rasschaert hopes that the next congress will adopt a common stand on overtime, methods of calculating pay, and protection of workers who lose their jobs because of rationalisation.

Fade away

Any real impetus on collective bargaining, however, is much more likely to come from the unions' increasing concern with multinational companies than from the existence of European trade union groups as such. In trying to get at the multinationals, British unions are happily working together with their European counterparts.

The concern with multinational companies, and the prospects which an EEC monetary, economic and fiscal policy might offer for controlling them, may also help to keep the unions on a European course despite their present disenchant*ment with the EEC.* But *if* the disenchantment, nationalism and the incipient radicalism that has arisen everywhere in Europe combine the wrong way, the commitment of even the most strongly pro-European unions—the Dutch and the Germans—may fade away.

Lisbon police battle

BY OUR OWN CORRESPONDENT LISBON, July 26.

PORTUGUESE riot police to-day fought a running lunch-time battle with nearly 1,500 bank clerks in central Lisbon. Unconfirmed eyewitness accounts said the police fired shots into the air when they were showered with masonry and bricks from a building site.

A number of injuries and arrests were reported. Police staged successive baton charges, and I saw one demonstrator escorted away with blood streaming down his face and covering most of his chest.

The demonstration by the bank clerks was the third in a series they have organised to protest against the detention of Senhor Daniel Cabrita, one of their leaders in the bank employees' union.

STRONGER D-MARK FORECAST

By Christopher Lorenz

FRANKFURT, July 26.

THE D-MARK again reached a revaluation rate of 5.8 per cent. on the West German foreign exchanges to-day, despite the lack of Bundesbank intervention. The official fixing of DM3.4626 was close to the dollar's lowest point to-day.

Some dealers are forecasting a considerable strengthening of the mark by the end of next month.

New seabed plan

BY OUR OWN CORRESPONDENT GENEVA, July 26.

THE BRITISH Government to-day supported the creation of an international regime to supervise the exploitation of mineral resources on the ocean floor.

Mr. J. L. Simpson, the British delegate, told the United Nations sea-bed committee that this regime should not only ensure an equitable distribution of such resources. "It must also ensure access to these resources for all parties to the convention."

Britain also supported in principle a U.S. proposal for a trusteeship to divide sea-bed resources in areas not controlled by the international regime which it wants to apply to all waters beyond a territorial sea limit of 12 miles and seaward of a point where the high seas reach a depth of 200 metres.

PARLIAMENT

COMMON MARKET DEBATES . . . day one in the Lords . . . day four in the Commons

Davies assurance on IRC assets

By Our Parliamentary Correspondent

BEFORE A decision is taken on the disposal of the Industrial Reorganisation Corporation's major equity holding in Brown Bayley Steels, Sheffield, industrial as well as financial factors will be taken into account, Mr. John Davies, Secretary for Trade and Industry, told the Commons yesterday.

He confirmed that N. M. Rothschild, the merchant bankers, will be the general financial adviser in all cases involving the disposal of IRC assets, and said that in the case of Brown Bayley Steels the views of the Department and other interested parties, including the British Steel Corporation, and private sector concerns, on the industrial implications would be considered.

Mr. A. E. P. Duffy (Lab. Sheffield Attercliffe) warned that shop floor feeling in Sheffield was already tense as a result of the current reorganisation—"this further invasion of the public sector may very well prove to be the flashpoint." He pressed for an assurance that BSC would not be prevented from showing an interest in Brown Bayley Steels.

Mr. Davies said: "I think you can feel very reassured that I shall take no action which does not seem to me industrially sensible."

Sir Gerald Nabarro (C South Worcestershire) pressed for an explanation of the phrase "industrially sensible" and suggested that Conservative MPs should have an opportunity to explore the Minister's intentions in a debate.

Mr. Davies replied: "No one will appreciate better than Sir Gerald how delicate such matters of commercial negotiation are. It would not be expedient, nor to the advantage of the public interest, that these matters should be debated until such time as they have been negotiated."

Air charter rules 'flouted'

THE DISCOUNT Air Travel Centre was breaking the International Air Transport Association regulations that prohibited the sale of charter seats to the public direct, Mr. Michael McNair-Wilson (C., Walthamstow E.) claimed in the Commons.

Mr. McNair-Wilson had asked whether the Secretary for Trade and Industry would initiate proceedings against the centre for *breach of charter flight regulations*, in view of evidence supplied by Mr. McNair-Wilson.

"This is one more example of how these regulations are continuously being flouted," said Mr. McNair-Wilson. "It is time we either gave that sort of freedom to all tour operators or clamped down on this sort of unscrupulous enterprise."

Mr. Michael Noble, Minister for Trade, said his Department would decide whether to take legal proceedings when the investigation now going on had been completed.

There were laws of this country as well as international laws which controlled these affairs. "I entirely agree the whole question does need very careful overhaul."

Mr. Roy Mason, "shadow" Minister for Trade, asked Mr. Noble what his Department was doing regarding surveillance.

"We hear occasionally about the Department stopping an aircraft. What are you doing about stopping an aircraft from taking off when you know full well there is an illegal sale of tickets?"

Mr. Noble said Mr. Mason was being a little naive. "If we are to change the rules we have to change them in the international field. Discussions have been going on steadily over the last few weeks and we are considering this problem in conjunction with our colleagues."

TARIFF PREFERENCES: The U.K. is to introduce generalised tariff preferences for manufactured goods and certain processed agricultural products of developing countries on January 1 next year, Mr. Michael Noble, the Minister for Trade, said in a written reply.

Initial beneficiaries of the scheme will be 91 countries—almost all the developing countries of Latin America, Africa and Asia, and Yugoslavia. Parliament will later this year be asked to approve an order and regulations to give effect to the arrangements.

Print

The British Printing Corporation has won a £200,000 order from France. The job, a reprint of the French edition of the Purnell partwork, History of the Second World War, will be printed web offset by Petty and Sons, Leeds, in the autumn for delivery in January, 1972.

George-Brown says Wilson bound in honour to accept

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

LORD GEORGE-BROWN last night left no doubt of his view that if Mr. Wilson had been Prime Minister to-day he would have been bound in "honour and in every other way" to recommend acceptance of the sort of Common Market entry terms now negotiated for Britain by the Tory Government.

The former Labour Cabinet Minister, who accompanied Mr. *Wilson on the 1967 tour of European* capitals prior to the then Government's application to join the Market, made only one proviso to this critical view of the Opposition leader's present stance.

Detailed

Such terms could only have been rejected as unsuitable to be put to the Labour Cabinet if the negotiators "or one of us" had never meant "the exercise seriously in the first place."

Claiming that he had been "dragged" into these further arguments on the Market issue against his own inclinations, and inferring that it was Mr. Wilson who had done so, Lord George-Brown made a speech in the Lords debate on the Government's White Paper that did nothing to lessen the difficulties of the Opposition leader.

Peers on the Labour front bench listened in sombre, set-faced silence to a closely detailed account by Lord George-Brown of the Labour Government's positive attitude on the Market issues.

Whether it was "convenient or inconvenient" there could be no gain-saying that the issues covered in the present Government's White Paper were the ones the Labour Government's negotiating leaders had identified as the main issues, Lord George-Brown declared.

Whether he wanted to or not, at each succeeding point in his speech, he was chopping ground from under Mr. Wilson's feet.

Lord George-Brown said he was speaking again on the subject "partly because of my personal sense of involvement which is very great indeed and partly because *other people do* not seem to be able to expound their view without dragging me into the subject.

"Last night, so the newspapers informed me, on television Mr. Wilson declared that I was a dedicated European willing to go in on almost any terms, whereas he was in favour of joining only on the right terms.

"I would have said that was both a collection of the most emotive terms you could possibly use about the other party, while, as always, giving himself the benefit of any doubts going.

"On the contrary the other day in the Commons he occupied columns of Hansard with hitherto confidential quotes to show that I made the harsher, the tougher noises on New Zealand.

"*It is a bore to be continually* putting the record straight on the events of 1967, a bore to the one who does it and I expect a bore to those who hear it.

"I have recorded elsewhere my recollections of the attitude of the then Government's approach and my view of the comparison with the present terms presented to Parliament by this Government.

"This Government claims to have played the hand which we prepared for the negotiating table. We must have been pretty good at preparing and they must have stuck awfully close to our brief because it has worked out pretty well exactly as we thought it would."

Confusion

Lord George-Brown said he wanted to remove any confusion by setting out the steps by which *the then Labour Government* reached its conclusions. The first step was when Mr. Wilson and he convinced Ministers in the Cabinet to accede to the Treaty if acceptable and favourable terms could be negotiated.

"It is fair to say that some were never persuaded but we did persuade the Cabinet as a whole, and we did it on both economic and political grounds. I think the Prime Minister was rather more persuaded by the economic considerations and by the poltical considerations."

The second step was the tour of European capitals concerned and, concurrently, talks with EFTA. "I did not quite like the statement on television last night about a soft shoe shuffle. One of us, I remember, was in hard shoes.

"We emphasised the serious problems for us. We did no mini*mising, and we did no trimming* and we found that if we took trouble to emphasise our difficulties, rather than do a soft shoe shuffle, then people were willing to talk to us.

"We were convinced of the need to pursue this to a successful conclusion and convinced of the apparent willingness of the others to negotiate."

Lord George-Brown said they saw that the troublesome issues, the really difficult ones, were fewer than they had foreseen and that on the really troublesome ones, solutions which would be acceptable appeared to be available. "This was a view we jointly formed," he said.

They then went on to the next stage and jointly put this to their colleagues. After exhaustive and exhausting discussions over many *many meetings and more than a* few weeks, they jointly recommended and ultimately persuaded the Cabinet, by what had been said to be a substantial majority, that they should be authorised to table an aplication to apply unconditionally for entry. This was to apply unconditionally and not to enter unconditionally.

Decision

Lord George-Brown said this was put to Parliament and they were authorised by Parliament "in that enormous vote."

He said they then took the next step to prepare a negotiating brief and this was done by officials presided over at the highest official level and they were prepared under Ministerial guidance all the time.

"This was done at the end of June, 1967, and I assert there can be no gainsaying of the joint and collective responsibility of the two Ministers then carrying the major responsibility. There can be no gainsaying that the issues covered in this White Paper are the ones we ourselves identified as being the main issue.

"There can in my view be no gainsaying either that the terms negotiated and recommended in this White Paper are in line with the terms we were prepared for.

"There can be no gainsaying either that, while the then Cabinet's final decision was clearly reserved until they saw the outcome, those of us responsible in my view, would have been bound in honour and in every other way to recommend these terms or something not significantly different unless we —or one of us—had never meant the exercise seriously in the first place.

"I therefore take my stand with those who say that these are not any terms, they are not almost any terms, these are the terms or are very similar to the terms that we thought would be right and acceptable. One always tries for more htu we were prepared for these."

After some bland and economic assurances from Mr. Anthony Barber, the Chacellor, the Commons debate on the Common Market was enlivened yesterday by the wit and vigour of Mr. Michael Foot's opposition. Whatever other contributions the Labour Party has made to the "Great Debate," there is no doubt that it has provided the best speeches on both sides —the pro-Market intellect of Mr. Roy Jenkins, which Mr. Foot honoured yesterday, and then matched with the most eloquent expression of the anti-Market case.

The Chancellor, said Mr. Foot, had scoffed at the doubts and anxieties of the anti-Marketeers. If Columbus had shown such hesitation, he had laughed, we would still believe the earth was flat. "But *Columbus set out to discover China*, thought he had discovered India and, in fact, found America," said Mr. Foot.

On the vague map of the Government's White Paper, he believed Britain's venture into the Common Market migh well come to some unexpected ends. It would take more than the Chancellor's promise to convince him that the cost to the balance of payments would not sink the country before it was launched into Europe, said Mr. Foot.

And more than Mr. John Davies's reassurance *to ease his anxieties* about coal and steel and regional development. "One would think to hear him that he has dedicated his whole life to helping lame ducks."

Gauging the mood of a Commons that had become slightly bored with the repetitively comforting voice of the Government—Mr. Barber was confident about the economic prospects but hardly more specific about his statistics—Mr. Foot stirred it with questions.

Why did Britain want to join another power bloc when countries throughout the world were trying to escape them? Why should the Market forces of Europe succeed where the market forces of Bri[tain] had failed? It was not xenophobia [that] moved his opposition, said Mr. Foot. [He] wished long life to the subsidised farm[ers] of France—"I just do not think the peo[ple] of Ebbw Vale should pay for it."

Perhaps, said Mr. Foot, that old-[time] doubter, Mr. Reginald Maudling, co[uld] help him with the answers. Though h[e] suspected Mr. Maudling's conversion wa[s] more prosaic if summed up in th[e] limerick:

There was an old bear at the zoo,
Who could always find something to d[o]
When it bored him, you know,
To walk to and fro,
He reversed it and walked fro and to."

Mr. Maudling might know, said Mr. Foot, but he doubted, in Hugh Gaitskell's phrase, whether only the "top people" knew best.

Philip Rawstorn[e]

'Trigger for change'

MR. BARBER said: "I think if anybody had asked me a year ago, I would have said that the chances of a successful conclusion to the negotiations were about 50-50."

He paid tribute to the tenacity and skill of Mr. Geoffrey Rippon, Britain's chief negotiator. "In certain respects, New Zealand for instance, he has succeeded beyond my expectations."

Mr. Barber said that when he *(Mr. Barber) had started negotiations* after the election, he had emphasised to the Six that a satisfactory financial solution had to be found if Britain were to enter.

"I have no doubt whatever that the terms which have been negotiated are not only fair, but that to join on these terms will be to the great benefit of the British people.

Strange

"The basis of the Government's case is that we believe, on the terms that have been negotiated, membership of the Community will bring substantial economic benefits to Britain."

For an industrial nation like Britain the best framework for efficiency and growth was one where there were opportunities for competitive trading, free of *tariff barriers. This would pro*vide better opportunities for specialisation. Britain's performance in recent years had been disappointing with Britain's rate of growth in the past decade it would take us 35 years to double our standard of living.

"The Community is doubling its standard of living every 17 years.

"Talk to the Ministers of the Six and one finds they themselves have no doubt whatsoever that the abolition of tariffs and the formulation of a single large market has helped substantially.

"It would be strange now if they, who were directly involved in this major change, should be wrong in their assessment of its effect"

Mr. Barber said the abolition of tariffs was the trigger of trade expansion and industrial change. Entry to the Community could not be regarded simply as a tariff exercise.

"From the moment of our entry our industrialists can count upon a single market for their products.

"Change is not simply a technical matter of price relationships but of a new climate for planning, investment, production and sales in a great new single market approaching 300m. people."

All the major motor industry companies wholeheartedly supported Britain's entry, said Mr. Barber.

"They all believe the failure to seize this opportunity will gravely damage the prospects of British industry."

Replying to an intervention by Mrs. Renee Short (Lab. Wolverhampton NE) about "inroads *made by car companies of the* EEC into the British home market" Mr. Barber said he felt sure that with improved industrial relations and better productivity Britain would do better in this respect.

Mr. Barber said this was not a one-way traffic. Nearly twice as many of the Minis Britain produced were sold in Italy as Italian cars were sold in this country.

It was well known that the City was already a major contributor to our national welfare. This was not only in net terms. Our invisible earnings as a whole had not only been rising steadily but last year in gross terms amounted to something over £5,000m.

"Those who work in the City have no doubt that the country stands to gain by our entry into the Community."

The Government and the previous Administration had proceeded with negotiations recognising realistically that the common agricultural policy was an integral part of the Community and that this recognition must form part of the decision.

"This was the position of the previous administration. It is not unreasonable to point out where there is common ground between us.

"The common agricultural policy, as our predecessors recognised, was not negotiable but we do have the undoubted right to adequate transitional arrangements to enable us to adapt accordingly to the new system."

From 1980 onwards, when a ceiling would no longer apply, our own payments to the budget would depend on two factors, the actual size of the total Community budget and the yield in the 1980s of U.K. levies and tariffs charged on imports from non-Common Market countries.

Copies of the short version of the Government's White Paper Britain and Europe supplied to the Conservative Party free of charge numbered 837,910 and cost public funds £25,137, Mr. William Whitelaw, Leader of the House, said in a written reply. The Labour Party was supplied with 5,074 copies (£152) and the Liberal Party 3,180 copies (£95).

Decrease

"It is frankly impossible at this stage to make useful forecasts on either of these factors."

The size of the budget would depend in part on the size of the Community expenditure and our yield would depend on the size of the trade and the pattern of imports.

At present the Community expenditure devoted well over 80 per cent. to agricultural support from which the U.K. would only get a modest return.

"But the future calls on agriculture will almost certainly decrease. Every year one-third of a million workers leave agriculture in the Six and the pressure on farm surpluses has eased."

Mr. Barber said the gaps between world and Community prices for food stuffs had narrowed. "Over the next five to ten years the community is likely to be spending much less on agricultural support and more on regional policy and industrial development."

It was quite wrong to consider the price of food in isolation. It was accepted that one of the fundamental causes of the apparently inexorable rise in the cost of living in Britain was our slow rate of economic growth. Every trade union leader knew that what counted was not money earnings but real earnings.

"If we succeed in achieving a faster rate of growth there will be a faster rise in real wages and salaries. This is what really matters."

Mr. Barber said those who depended on retirement pensions and other social benefits would be protected from any increase in the cost of living as a result of our entry—small though those increases were likely to be.

"These effects will not begin to be felt until the spring or summer of 1973 and this will be exactly the time that we shall be reviewing the purchasing power of National Insurance pensions and other benefits."

Mr. Barber said he could see no reason for assuming that the measures the Government took to conform with freedom of capital movements within Europe would result in any substantial new wave of British investment on the Continent.

Discussing "identifiable costs, to our balance of payments" Mr. Barber said: "To talk as thoug[h] there is going to be som[e] terrible shock to the balance [of] payments is absurd

"The sums we are talkin[g] about are well within the rang[e] of normal swings in the balan[ce] of payments."

Mr. Barber said the prospe[cts] for economic growth was goo[d]. He could expect to enter th[e] EEC in a "much strong[er] economic and financial positi[on] than many thought possible [in] recent years."

Intervening from the Oppo[si]tion front bench, Mr. Den[is] Healey, "shadow" Forei[gn] Secretary, asked for an estima[te] of the cost to the balance of pa[y]ments of the "consumer-l[ed] reflation" announced by th[e] Chancellor last week.

Mr. Healey said The Eco[no]mist, which favoured ent[ry] believed the cost of the measu[re] would be £500m. on to th[e] balance of payments.

Mr. Barber said he had n[ot] read the report in The Economi[st] but without having read it [he] would say it was "absolute no[n]sense."

He said: "I reject entirely th[e] arguments that the cost [of] membership will oblige us [to] hold back the growth of t[he] economy." The costs wou[ld] accrue gradually from the da[te] of entry onwards and would n[ot] fall suddenly in large amounts.

History

At a time when we were suff[er]ing from heavy unemployment[, it] should not be forgotten that [the] Six in their own national polic[ies] had been extremely successful [in] maintaining full employme[nt] with the exception of Italy, wh[ere] there had been special regio[nal] problems.

He had never sought to ex[ag]gerate the difficulties of stayi[ng] out of the Common Mark[et]. "There will be no cataclysm[ic] disaster if we don't join," [he] said.

"Life would no doubt conti[nue] for quite a time much as at p[re]sent with fewer changes than [if] we joined. We would no do[ubt] get along quite comfortably w[ith] a slow rate of economic grow[th], proud of our history and boasti[ng] of our tradition of civilised liv[ing].

"But let us not burke t[he] reality of the situation as [it] would develop.

"We would be inevitably o[ut]come and overshadowed by [a] larger, stronger and ric[her] Europe. Our political influe[nce] would dwindle and history wo[uld] pass us by."

No dramatic impact on defence—Carrington

OPENING the debate Lord Carrington, Defence Secretary, said he thought the terms negotiated were acceptable and were, perhaps, better than those previously envisaged.

"There are compensating disadvantages which we have not sought to hide." The price of food would rise, although not by as much as was feared. The effect on our balance of payments was not likely to be as serious as was thought at one time.

"There is great opportunity *here for the City of London, but* material prosperity is not everything. We could not, as a Government, countenance joining Europe on terms which made circumstances in New Zealand, for example, insupportable."

Nuclear

But the terms negotiated for sugar producers and for New Zealand were fair. As an Anglo-Australian, he believed that Australia, with an expanding and diversifying economy, would be in a stronger position if Britain was stronger.

"The national institutions of our friends in Europe have no more been watered down or eroded than have their national characteristics. For more than 20 years we have been a member of NATO with an American Supreme Commander, and in time of war the whole of the BAOR would be under the command of a German general."

He did not expect that our membership of the Community would lead to any dramatic impact or action with regard to defence.

It might be that closer association with Europe in a Community of ten might lead to closer collaboration. But it would seem, in the foreseeable future, to relate more to collaboration on arms production and rationalisation.

"I do not believe that Europe, or any part of it, in the future should, or could, seek to acquire a nuclear armoury on the scale which the Russians and Americans, and no doubt soon the Chinese, find it necessary to maintain."

He did not think we would wish to afford it or that it would be appropriate. He hoped that Europe would always be united with the United States for its defence against the Communist world.

An enlarged Community would be a great bloc which could, by its size and economic strength, compete on equal terms with the giants.

We would continue as we were, but our power, influence and standard of life would suffer a gradual but steady decline. When the time came we should "take that momentous step and start to write a new and even more successful chapter for the British people."

For the Opposition, Lord Shepherd said he stood in the middle of the road, deeply uncertain and yet to make up his mind.

The advocates of both sides had overstressed the advantages and disadvantages. He believed the argument was far more finely balanced than people were led to believe.

Lord Shepherd spoke of his vision of a united Europe embracing East and West and a Europe deeply involved in the settlement of world problems and united in solving the economic and social problems of the under-developed world.

He said the EEC was now clearly an interim arrangement, itself beset by its weaknesses and national interests An enlarged Community would be a very different organisation. It would become more self-sufficient and correspondingly there was a real risk that it could become inward looking.

The words of the arrangement for sugar agreements appeared satisfactory, but it would depend on a determined Government in the U.K. to ensure that the spirit of them was met.

Profit

Those who supported entry pointed to the dynamic effect on the whole economy if we entered the EEC. But that was impossible to quantify. Much would depend on how we adjusted during the five-year transitional period.

He asked why there should be such a change in fortunes in a market of 290m. when we had apparently failed in a market of 100m.

There would to some extent be a loss of sovereignty and a restriction of Parliamentary power because of the EEC's coordinated policy. But it was fair to point out that even outside the EEC there had certainly in past years been some restriction of Parliamentary sovereignty.

If we remained outside, our existing export markets could be eroded progressively. We should need to invest not only now, but during the transitional period and beyond.

Capital investment in industrial production was attracted by profit, and he strongly suspected that for the next few years industrial profitability was unlikely to rise and might perhaps fall.

He said that in the EEC there was no specific policy towards regional development. "We had very special problems here and he believed special arrangements would have to be made.

We would also need a full statement on fisheries by October. He expected agreement to be reached before Parliament was called upon to make a decision. When the decision was taken, it would have to be on faith and hope rather than anything else.

It was clear that the great new future which was claimed to open out before us if we entered would not come about by infection. Balance of payments problems and unemployment would not disappear overnight because of entry to the EEC.

Entry would not solve these problems, but could well aggravate them unless the Government committed itself to policies for sustained growth in the economy.

The terms were not harsh or intolerable. But they were far from generous. He would have thought there would have been a greater recognition of the financial and material burdens and all we had done to sustain defence in Europe.

It was the country's misfortune that we were called upon to make a decision in a period of economic stagnation bordering on recession. The terms would be bearable if, when we entered the economy was confident and buoyant.

"Provided there is confidence which brought about co-operation throughout the nation, we might have some success, but to me that confidence does not exist."

Conviction

Lord Gladwyn (L) said: "Economically speaking, this operation is a dash for freedom. In the course of our dash, we shall not be shot down by Mr. Douglas Jay's statistical machine gun.

"Let us not imagine that by formally approving the terms next October and joining the EEC we shall be entering a sort of promised land, still less a garden of Eden. The growing pains inherent in the operation will be considerable, and there will undoubtedly be rows and crises.

"Nothing can shake my own conviction that in joining the EEC, this country will have at long last discovered its true post-war destiny."

Threat to liberties—Foot

MR. MICHAEL FOOT said that in his speech during the debate Mr. Jenkins had combined qualities of character, intellect and eloquence, and "I would like to say I honour him for his quali*ties, however much I may* disagree with the course he had recommended."

The Government should agree to the proposal last week by the Leader of the Opposition, Mr. Wilson, for a select committee to examine some of the details of the debate.

"The status of the National Coal Board and the British Steel Corporation will have to be altered by legislation if we go into the Common Market.

"The House of Commons should examine these matters in detail. The position of the steel industry is as of much interest as the dairy problems of New Zealand."

Correct

The Government's statement in the White Paper that if we joined, there would be no interference with the size or status of the BSC or the NCB was either a "direct lie or a colossal display of ignorance."

The case for Britain's entry had not been properly spelt out in the White Paper and this was one reason why many MPs were urging the setting up of a select committee.

He feared the regions "would be starved of the essential assistance which they required."

"If our fears are proved correct, rather than the Government's vague expectations, then, indeed, you could have political consequences as well as economic consequences.

"It would be a strange irony if the measure designed to solder us more closely to the Community had the effect of splintering the United Kingdom."

"As for France I believe it is of essential importance that this country should have good relations with France.

"I hope Mr. Wilson will not hold it against me—particularly at such a promising moment in my political career—I hope he will have sufficient sympathy for a rising young politician and understand the situation—when I say that I have a soft spot even for the inefficient French farmers

"Long may they live in subsidised splendour but I don't understand why the people of Ebbw Vale should have to pay for it."

Far from being anti-Italian, he loved the Italy of Rossini, Garibaldi, Casanova and the rest. "Anyone who does not share my love of them can go and jump in the foaming Tiber."

But it was not necessary in order to live peaceably and prosperously with our European neighbours, to adopt from them institutions "which may well suit them and which they may justifiably think will suit us but which, in fact, have not at all been designed to suit us."

Democracy

One of the institutions which we would have to alter fundamentally was the House of Commons and Parliament.

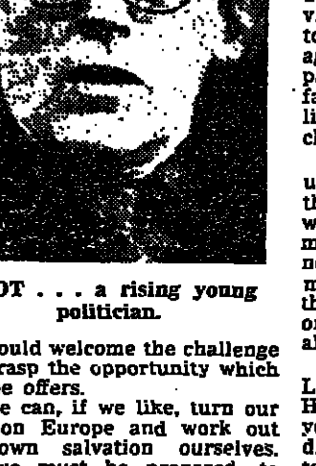
"If the Government claims that conditions of entry are such that we should diminish the sovereignty of this Parliament I think it should say so quite openly. But I do not think it proper for it to suggest to the people that there is no erosion of sovereignty—of course there will be."

The liberties of people in this country had been better protected than in most other countries in the world. "We don't want these liberties taken from us particularly by a Government which has not even explained the matter to us.

"You cannot help to build democracy in Europe by undermining it in Britain. But I am so little of a Little Englander, I still believe, if you can rebuild it here, and enhance it here, and transform it into what we on this side call Socialism, then you can save it everywhere and that is the proper course for this country."

Mr. Duncan Sandys (C., Streatham) said: "Those who warn us a decision to go in would be irrevocable, should realise that a decision to stay out would, for all practical purposes, be irrevocable also.

"Are we afraid that, in a free market, Britain would not be able to hold her own? If we have faith in ourselves surely



FOOT . . . a rising young politician.

we should welcome the challenge and grasp the opportunity which Europe offers.

"We can, if we like, turn our back on Europe and work out our own salvation ourselves. But we must be prepared to *accept retarded economic growth* and dwindling influence. Alternatively we can help to build a united Europe which will possess material resources and political power of the first order."

Mr. Peter Shore (Lab. Stepney) said: "It has never been difficult to join the Common Market. If this nation had been prepared to do what even the French would not concede we could do—to totally accept every possi[ble] condition France demanded [of] us.

"We have certainly conced[ed] and the French have got, in th[e] negotiations, all they could p[os]sibly have asked for.

"I am not surprised t[hat] France wants Britain to jo[in]. The French Government is p[ro]vided with a guaranteed mar[ket] to the end of time for Fre[nch] agriculture and Britain will [be] paying across the exchanges [a] fantastic annual ransom with[out] limit and the possibility [of] change.

"I find it very worrying [and] unconvincing demonstration [of] the meaning of 'Commun[ity]' when the first expression [of] membership for us should be [the] negotiating of terms which sm[ack] more of the Treaty of Versai[lles] than of membership of the Tre[aty] of Rome—a treaty of friends [and] allies."

Mr. Tam Dalyell (Lab., W[est] Lothian) said he supported en[try]. He had strong loyalties to [the] young people of this country. [I] dread to think what will hap[pen] to these young people if we [re]*ject going into the Common M[ar]ket.*"

Sir Derek Walker-Smith [(C.,] Hereford E.) said the British [tax]payer would be paying th[e] ine[ffi]cient French farmers to stay [as] they were. "We shall go on p[ay]ing, not a subscription as it [is] sometimes called, but a penal[ty]. If it is right that Britin en[ters], will be good for the Commun[ity], why should we pay a penalty [to] do that for them?"

Bias alleged

During the debate, Mr. Arthur Lewis (Lab West Ham N) complained on point of order that the speakers being called were two to one in favour of the Government.

"There is a deliberate attempt at showing favouritism," he claimed. "There is a two-to-one bias on the part of the chair."

The Deputy Speaker, Sir Robert Grant-Ferris, said: "I must ask you to withdraw that remark. If you wish to do anything about this you must put a motion down."

Mr. Lewes said: "It is in Hansard and one has only got to check on it. I will go but [the] record is there."

When Mr. Lewes started wa[lk]ing to the door of the [C]hamb[er] Sir Robert told him: "Unless y[ou] seek to withdraw that remark n[ow] I am afraid I shall have to ta[ke] serious action against you."

Mr. Lewes then withdrew [his] comment saying: "I will wi[th]draw it and put a motion down."

Later the Speaker (Mr. Selwyn Lloyd) said he had estimated th[at] in the first two days of debate on the Common Market 189 min[utes] had been taken up by th[ose] in favour of joining, 204 minutes by those against and 51 minutes by those who were doubtful.

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Other Overseas News

IN BRIEF

● **ISRAEL** prices of petrol, diesel oil, fuel oil, kerosene and cooking gas went up by between 10 and 40 per cent. yesterday as a result of an increase in excise and import levies. *These changes* will bring the treasury an additional £I175m. a year.

● **SOUTH VIETNAM**—Gen. Duong Van "Big" Minh officially announced that he will oppose President Nguyen van Thieu in the October presidential election and named Roman Catholic deputy Ho Van Minh as the vice-presidential contender and Sen. Hong Song Dong, a wealthy businessman and member of the Buddhist Cao Dai sect, as his alternate vice-presidential possibility.

● **JAPANESE** imports from China are likely to increase to a considerable degree as the result of the removal yesterday by the Ministry of International Trade and Industry of the prior approval system for most imports from Communist bloc countries with which Japan does not maintain formal diplomatic ties.

● **ZAMBIA** is to receive a grant of $1.5m. from the United Nations and one of $2.5m. from Canada to help it expand its national railway system.

● **SYDNEY**—MEPC Australian Properties Limited, a wholly owned subsidiary of Metropolitan Estate and Property Corporation Limited, said a $A30m. development project has been approved by the works committee of the council of the City of Sydney. The one-acre site will house the Sydney Stock Exchange.

● **KAMPALA**—The board of the African Development Bank meeting here has approved a loan of 3m. to Algeria to cover part of the foreign exchange costs for the northern section of the Trans Sahara road between El Golea and In Salah. The 200-mile road is the first leg of a projected Trans Sahara road which will eventually link Algeria and Tunisia with Mali and Niger.

Communist mastermind of Sudan coup captured

BY OUR OWN CORRESPONDENT

CAIRO, July 26.

WITH the announcement of the capture of Abdel Khalek Mahgoub, the Communist Party Secretary-General, who escaped from jail on June 30 and is reported to have masterminded the coup, General Nimairi seems to have demolished effectively the Communist opposition to his rule.

Radio *Omdurman* said to-day that Mr. Mahgoub had been captured following information received by an unnamed citizen. At the week-end, the semi-official newspaper Al Ahram said here that Mr. Mahgoub had taken refuge in the Bulgarian Embassy in Khartoum after his escape from captivity. This was emphatically denied by the Sofia Government.

Strong man

Mr. Mahgoub is the founder and strong man of the Sudanese Communist Party, which he had built up to be the largest and best organised in the Arab world. It largely controlled the trade unions, the women's and youth movements and had a strong influence in the students' union.

An announcement from Khartoum said that Mr. Mahgoub would stand trial. He is likely to face a death sentence. Gen. Nimairi told a Press conference on Saturday that the Communist Party central committee had been "the core of the mutiny" and he earlier remarked that most sentences would be death sentences because of the horrible nature of the crime committed.

After Mr. Mahgoub's capture the troops and security rounding up Communists were ordered to return to barracks, although some party leaders are still at large.

At the same time it was reported from Khartoum that Shafie al Ahmed el Shiekh, Secretary-General of the Sudanese Trade Union Federation, had been condemned to death and Dr. Mustafa Khogali, who was to have been appointed Prime Minister, was awaiting trial. Two more officers, including Major Ahmed el Zein, who was a member of the rebel Revolutionary Command Council, have been shot, bringing the total to nine.

Meanwhile, the Egyptian newspaper Al Akhbar has suggested here that Major Hashem al Atta, the executed leader of the abortive coup in Sudan, intended to offer British forces a landing strip in the Sudan, because the Egyptians were planning to intervene against his rebel regime.

Moussa Sabry, its chief editor, was present at a confrontation between President Nimiari and Col. el Nour in Gen. Nimiari's office after Col. el Nour had been handed over by the Libyans.

During the confrontation, with Col. el Nour standing a yard in front of Gen. Nimiari's desk with his hands above his head, Gen. Nimiari is reported to have told him: "We have discovered a document from Hashem el Atta suggesting that the British be given a landing strip on Sudanese territory under the pretext that the Egyptians were going to intervene in Sudan ... Did he do that without you planning it, since you were in London? Do you think this is funny? Either you were under medical treatment there or you were planning the landing of British forces in your country."

"I don't think that would have happened, sir," Col. el Nour is quoted as replying.

Richard Johns writes: the Foreign Office yesterday denied that the British Government had been offered landing facilities by Col. el Nour. A Foreign Office spokesman rejected the Al Akhbar report as being "totally untrue." He added that Col. el Nour and Major Hamadallah had had no contact with the British Government during their stay in London.

Charges that Bulgaria played a part in promoting last Monday's coup attempt have created interest in diplomatic circles. Bulgaria is the Soviet Union's closest ally and the repercussions for Moscow's relations with Arab *states could be great.*

According to a UPI dispatch from Khartoum yesterday the Sudanese Air Force and some Army units placed their Soviet advisers under "protective" custody to prevent their trying to thwart the counter-coup by forces close to President Nimairi. These are believed to be nearly 2,000 Soviet military and technical advisers in Sudan.

ISRAELI-CHINESE TALKS IN PARIS

By Our Own Correspondent

TEL AVIV, July 26.

CHINESE diplomats in Paris met last Friday with Mr. Eli Bengal, representative of the Israeli left-wing party Mapam in France. Mapam is part of the Labour alignment in Israel and is represented in Mrs. Golda Meir's Cabinet by two Ministers.

According to the Mapam spokesman the meeting in Paris was initiated by Chinese diplomats and the discussion which lasted two hours took a general character, but the possibility of establishing diplomatic relations was not raised.

Addressing the Parliament last week, Israeli Foreign Minister Mr. Abba Eban hinted that Israel was interested in establishing relations with Peking, especially after President Nixon's announcement of his future trip to China. The overture raised some speculations that some contacts have already been established. But Foreign Ministry spokesmen in Jerusalem flatly deny these reports.

Japan to-day announces measures to stimulate the economy

BY OUR OWN CORRESPONDENT

TOKYO, July 26.

JAPAN will announce to-morrow a series of important measures designed to pour an additional $556m. into the economy to restore the cooling boom, it was learned to-day.

Without these measures the economy now is expected to achieve a real growth rate of less than 8 per cent. this fiscal year. The Cabinet is expected to approve measures on Tuesday to include new appropriations for public works, loans and investments. It was only a month ago that the Japanese Government announced a similar programme which released $725m. for the same purpose.

Financial circles report that the Finance Ministry will instruct the Development Bank of Japan and other Government-financed banks to reduce their interest rates between 0.1 and 0.3 per cent. per annum and will relax issuance conditions for national bonds, Government-guaranteed bonds and municipal bonds, effective as of September 1.

In addition, private Japanese banks, which have been urged by the Government to take similar measures, are expected to announce slashes in long-term interest rates. At the same time, the Bank of Japan probably will announce a 0.25 per cent. cut in the official discount rate to 5.25 per cent., effective on Wednesday. This would be the fourth such reduction in nine months.

City banks are believed prepared to contribute by announcing during a meeting of the Federation of Bankers' Associations on Wednesday that they will cut their maximum rate for loans by 0.25 per cent. The banks will probably cut their call loan rates by the same amount as the official discount rate, according to well informed sources in Tokyo.

OECD report

Although Japan's exports are increasing and most probably will surpass a rise of 20 per cent. this fiscal year over the previous period, domestic business has been in a state of chronic semi-recession since the first quarter of last year.

Charles Smith, Far East Correspondent, writes: Some doubts about the speed at which Japan's economy can be expected to resume its normal growth rate are expressed in a report first published by the Organisation for Economic Co-operation and Development (OECD).

The OECD report says that the economy could recover fast enough for the Gross National Product to record a 10 per cent. growth rate during the second half of 1971 (making a growth rate of about 8 per cent. for 1971 as a whole). But it is stated that "considerable uncertainties" surround this forecast.

In particular the report points to difficulties in assessing the trend of industrial investment which has risen fast as a percentage of Japan's Gross National Product during the past few years but may now be due for a period of consolidation.

The report says that "the share of investment in GNP . . . has regularly been much higher in Japan than in any other country. But the periods of a significant increase in this share have typically been followed by phases of comparatively weak development. The fact that total fixed capital formation rose, in constant prices, from 30.8 per cent. of the GNP in 1965 to 37.6 per cent. in 1970 is bound to cast doubt on the timing and strength of the next upswing."

The OECD stresses the significance of Japan's current recession for its international balance of payments position, which has been strengthened by an increase in exports reflecting the slowdown of domestic demand. The report anticipates a substantial reduction in the rate of growth of exports once "normal growth" is resumed. However, it stresses import liberalisation and the removal of export tax incentives as essential steps in bringing the surplus under control.

S. African trade deficit

By Our Own Correspondent

JOHANNESBURG, July 26.

SOUTH AFRICA'S foreign trade balance took a serious turn for the worse in June in spite of Pretoria's tight money policy and higher consumer and company taxes imposed in the March budget. Trade figures published this week-end show that imports soared to R254m. (£150m.)

June after showing signs of moderate decline in April and May.

Exports (excluding gold) at R127m. were only half the import figure and after taking into account gold production (a plus) and invisibles (a big minus) it is plain that the current account of the balance of payments must have remained heavily in deficit during June.

Official circles in Pretoria claim there is no cause for alarm since the country has gold and foreign exchange reserves of about R600m. The Government has considerable borrowing facilities abroad, besides its untouched gold and credit tranches at the IMF, and South African companies could themselves borrow abroad which they are likely permitted to do at present. Commerce and industry, on the other hand, appear to view the latest developments in the country's foreign trade balance with more concern. Some businessmen expect direct action to be taken against imports within the next few months.

Tun Razak details China policy

By Our Own Correspondent

KUALA LUMPUR, July 26.

THE Malaysian Prime Minister Tun Abul Razak to-day termed the exclusion of China "from playing her proper international and regional role" as "unhealthy, unrealistic and short-sighted." Tun Razak was making a statement to Parliament clarifying Malaysia's foreign policy of non-alignment and of seeking ultimately the neutralisation of South-east Asia with super-power guarantees from China, the U.S. and Russia.

On the question of China, Tun Razak said that Malaysia favoured neither a "two China" policy nor a "one China, one Taiwan" policy, but a "one-China policy, on the understanding that the right of the people of Taiwan to decide their own future for themselves should not be denied to them.

"*It is on this basis*," Tun Razak went on, "that we assert that China should assume her rightful place at the UN.

For the present, bilateral Sino-Malaysian relations would consist of trade contracts with the question of diplomatic relations "to be considered as a separate matter at a later date."

Responding to backbench Malay opinion, which tends to see the rapprochement with China in terms of an accommodation with the Malayan Communist Party, Tun Razak stressed that relations with any country were conditional on "scrupulous non-interference" by that country in Malaysia's internal affairs. He thus echoed a statement made at the end of last week by the *Indonesian Foreign Minister* Mr. Adam Malik to the effect that normal relations with China could only be restored.

If China stopped giving aid to subversive activities in Indonesia. Indonesia remains the only one of the South-east Asian countries (apart from Laos) which already has diplomatic relations with China though these have been "frozen" for five years.

ALGERIA

The aftermath of the dispute with France

BY ROBERT GRAHAM, RECENTLY IN ALGIERS

IN AN ATMOSPHERE very different from the bitter recriminations of recent months, negotiators in Algiers have begun what could—and should—be the final round of talks in the long drawn out Franco-Algerian oil dispute. Since Compagnie Française des Petroles reached agreement with the Algerian State oil concern, Sonatrach, on June 30, tension between the two countries has begun to subside. In particular, the Algerian Press, always a sensitive barometer, has been very restrained, and there is satisfaction in Algiers that the first two tankers have just left Bedjaia after the lifting of the French oil boycott, which was imposed in April after Sonatrach took over 51 per cent. of the French oil companies.

But if the passions have cooled, much remains to be settled both on the oil front and on other issues with France. The present negotiations are with the French state-controlled group Elf-ERAP. The dossier is both more contentious and more complex as ERAP has a far larger stake in the oil industry, being responsible for 16.5m. tons of crude a year, or 37 per cent. of Algerian production. Relations between Algeria and ERAP have been more heated and the group's action in withdrawing its 450 French personnel at the height of the dispute still stands between the two sides.

Nevertheless, observers in Algeria believe that in the atmosphere of "good sense" now prevailing these problems can be solved. However, a certain caution remains simply because the talks could last well into August, and if they drag on, the Algerians could once again become impatient. The Algerians are anxious to get on and discuss other outstanding issues like their wine exports and Algerian workers in France. The labour agreement allowing 35,000 workers a year into France ends in December, and Algiers would like it continued or even see the numbers increased since remittances from workers abroad bring in $80m. to $90m. a year.

There is a good deal of argument as to what brought the two sides to the negotiating table after so much mutual hostility. French officials claim the boycott of Algerian oil following the nationalisation measures bit the economy far harder than expected. The Algerians, on the other hand maintain that taking over 51 per cent. of the French companies was a calculated risk, that they anticipated a tough reaction, and have ridden out the storm. The truth seems to lie somewhere between the two. What is undeniable however, is that the dispute has had—and still will have—a number of important short and long term effects on Algeria.

Since mid-April, oil production has dropped to just under half the normal monthly rate of 4m. tons and of the main fields only Hassi Messaoud has been kept operating—and this through dint of prudent management. Annual production is 46m. tons, and it is possible that full production will begin again by the end of August; but this year's production may not be more than 38m. tons against a target of some 50m. tons. The financial loss however will be more than offset by the increase agreed with CFP and likely to be agreed with ERAP. Until this latter settlement is realised, no precise estimates of increased revenue can be made—but it could raise current revenue from $300m. (which covers 20 per cent. of the budget) to around $500m.

Loss of production, coupled with the delay of expected increases of oil revenue, has been keenly felt by the Algerian treasury. The dispute has dragged on now for 18 months and increased oil prices were due to be effective as of January, 1970. The Algerians seem to have been prepared for long negotiations but their need to keep up with their large investment programme under the 1970-1973 Four-Year Plan has meant that they have had to dip into their reserves.

There is nothing to suggest that investment or the progress of the Plan has been affected. All the major projects are proceeding as planned. Last year $1,240m. was invested, $160m. more than in 1969; and if there is a slight shortfall in planned *expenditure this year, Finance* Ministry officials point out that this eliminates the potential 3 per cent. budget deficit. Reserves, on the other hand, have fallen from around $450m. in early 1970, to $300m. in March this year (the last official figure). They are believed to be even lower, perhaps even below $230m. The Algerians take comfort from the offer of a Libyan standby credit (understood to be £28m.); but they are reluctant to use this.

Instead, they have opted for a series of tough measures to save foreign exchange and cut back demand. Heavy import duties have been imposed on luxury goods, and energetic attempts have been made to prevent money leaving the country. For instance, ordinary Algerians cannot take out more than 100 dinars ($25) at any one time.

The authorities are acting with an almost Scots canniness. The case of cement offers a good example. At present Algeria is still a major importer of cement and has inadequate stockage facilities. In order to save foreign exchange, it has been decided to *limit all construction activity to* a minimum until the country's new factories make it more self-sufficient. As a result, virtually the only construction is in the industrial sector (and there are even reports that a cement factory being built is short of cement).

The same cautious approach is evident in the general management of the economy. The Finance Ministry seems to be guided by a fear of inflation both from internal pressures and external factors. The main worry is the cost of raw materials from abroad upsetting Plan estimates: Algeria is still a major steel importer, for instance. At home, the authorities seem to have come to terms with inflation, limiting price rises to around 3.2 per cent. Prices of all the main foodstuffs have been pegged and demand has been dampened by taxes and credit restrictions.

These restrictions have affected the rate of expansion and now apply almost equally to individuals, private businesses and state companies. Unless a private concern can find over 60 per cent. of the capital, a bank is unlikely to offer credit. As for foreign companies, they are *now finding that they are having* to finance the local cost of their projects themselves.

State companies have not been exempted from this tight money policy. The authorities have more or less put an end to their obtaining credit from one another, even for small transactions. This has not facilitated their operations, yet the success of the Plan depends a great deal upon the efficiency of the big State companies, like Sonatrach.

The tight credit situation has accelerated a careful scrutiny of the workings of the state companies. A banking seminar has just been held in Algiers where the restructuring of State company finances was a major topic. The main problem is that most of the companies were set up with capital borrowed on short term at 6 or 7 per cent.; yet many of the projects for which the companies are responsible require longer amortisation periods. The aim now is to restructure the loans to relate directly to the amortisation periods.

If this effect of the oil dispute was to some extent unforeseen, others have been more predictable, particularly in relation to trade. Algeria has been able to wriggle further away from French products and French technology. The dominant position of French goods has been constantly diminishing. Last year it fell from 47 to ... per cent., and this year it w... fall further. A number ... French goods have been actively boycotted (for instance French cheese is impossible to find and Dutch butter replac... Normandy butter in the hot... and restaurants).

This is a welcome development for other European businessmen, who in the past ha... felt at a disadvantage to t... French. As of late they ha... begun to feel on an equal fo... ing if not at a slight advant... over their French colleagues ... a market which is the bigg... importer of Western goods ... the Middle East after Iran.

Companies are reluctant ... discuss contracts; but seve... businessmen in private ha... admitted they owe recent c... tracts to the French fall fr... favour. The beneficiaries ha... undoubtedly been British, Ital... and West German concerns. F... instance, it is rumoured th... Volkswagen may now renew ... interest in a $140m. car assem... plant, originally scheduled to ... carried out by Renault but n... in abeyance pending the outcom... of the oil talks and Fren... Government willingness to p... vide credit.

The U.K., selling some £22... worth of goods a year to Alge... mainly in return for gas, ... hoping to establish a compu... centre whose working langua... would be English. It has a... been decided for the first ti... to have a British pavilion ... the Algiers Trade Fair ... September. The Algerians ... their part seem to be reciproc... ing this interest, as evidenc... by the recent appointment ... ambassador to London, ... Lakhdar Brahimi.

The irony of the oil dispu... with France is that, even af... it is all over, it is still likely ... leave the French companies ... a dominant position in this s... tor in relation to forei... competitors. And it is he... that Sonatrach's projected de... to sell gas to El Paso in the U... becomes so important. Oil w... always provide a steady ba... bone for economic developme... but the vast reserves of hi... quality natural gas mean th... providing it can be sold, t... resource rather than oil w... determine the future pace a... direction of the economy.

The overall cost of the ... Paso deal is $1,000m., of whi... the Eximbank is expected ... provide some $300m. in credi... The Algerians have not felt ... hibited by political differenc... in pushing ahead business wi... American companies. Nor h... the absence of diplomatic ... lations, broken in June 19... prevented a rapprochement b... tween Algiers and Washingto... The Algerian press recently ga... prominence to a message Pre... dent Nixon sent Preside... Boumedienne congratulati... him on Algeria's ninth indepe... dence anniversary.

In Algiers no one doubts t... El-Paso project will go throug... but in this as in everything el... the Algerians are being e... tremely prudent. The proje... is still not included in the Pla... even though it has been und... discussion for two years. On... with the conclusion of this co... tract and the approval by t... U.S. Federal Power Commissio... will the Algerians be able ... relax. This rather than t... French oil talks has become the... main concern.

President Houari Boumedienne

Vehicle and General Tribunal of Inquiry

Run-off statements 'not part of accounts'

[W]HEN a civil servant failed to [get] "run-off statements" from [cer]tain insurance companies, he [att]ributed his failure to the fact [tha]t he was trying to work [aga]inst the grain of the industry.

[T]his was stated yesterday by [Mr.] Norman Nail, of Epsom, a [pri]ncipal in the Department of [Tra]de and Industry, who was con[tinu]ing his evidence at the [V] & G Tribunal Inquiry, which [is] still examining the company's [acc]ounts.

[I]n the insurance business in [gen]eral, he said, run-off state[me]nts were not part of the [acc]ounts. They represented an [int]ernal management check on [ho]w well claims estimators were [doi]ng their job. A run-off would [not] reveal how the job ought to [be] done, but whether it was [bei]ng over or under estimated.

[R]un-off statements were not [nec]essary documents in insur[anc]e company accounting and [ma]ny insurers never kept them.

[M]r. Peter Webster, QC, repre[sen]ting the Department of Trade [and] Industry, asked him: "If a [run]-off is not prepared as a [mat]ter of routine by a particu[lar] insurer, in the ordinary [cou]rse of events will internal [off]ice records be so organised to [ena]ble a run-off to be taken off?"

[O]rigin of claim

[M]r. Nail told him this was [al]most certainly not so. To take [a r]un-off one would need to have [the] claims outstanding files [arr]anged so that they could be identified by the origin of claim.

He had personally visited a number of insurance companies to discuss and consider the sort of records they kept and other members of the department's insurance branch had also made visits.

He had visited Phoenix, Royal Liverpool, and Commercial Union. None of them used run-offs on all their business, but Commercial Union did use them on some of the U.K. motor business. Other companies with a reasonably easy adjustment of records could have taken them off their home business.

He told Mr. Webster that he had visited these particular companies in 1967.

Asked if records were available for run-offs on other companies, he said he had tried to get run-off statements from various motor companies—not only the ones that failed but also some still in business. In some cases, in small and relatively new companies, they did not keep such statements and they had not organised records in a way which would enable them to do so. He had put his failure down to the fact that he was trying to work against the grain of the insurance industry.

Earlier in the day a departmental colleague, Mr. Horace Knight, was questioned by Mr. Webster on correspondence about V & G's accounts which referred to an inability to supply run-offs following the introduction of sophisticated machinery.

Mr. Knight said he did not think they could produce the information without a computer. It would have meant going over about 80,000 claims from 1967 and about a quarter of a million claims going back to the start of their business.

Sampling technique

Mr. Webster: "Can you produce run-offs by any sort of sampling technique?"

Mr. Knight said it was possible to produce a form of run-off by sampling; one would have to examine three months of claims files in any one year to find out costs, and then project forwards and backwards.

Concluding his evidence, Mr. Knight said he did not think there was a possibility of insolvency in October, 1968. There was still a substantial excess over the solvency margin.

He agreed, when questioned by members of the tribunal, that there were "imponderable" elements to take into account.

Mr. Cyril Homewood, an assistant secretary in the DTI, was asked by Mr. John Arnold, QC., counsel for the tribunal, whether there was ever any stage when the insurance department, through overwork, was unable to continue to perform its task efficiently.

Mr. Homewood said there was a period when some corners had to be cut. Broadly speaking this was from about the end of 1965, when the first abortive Companies Bill was in preparation, until the 1968 regulations were made.

Mr. Arnold: "Were any corners cut in relation to the V & G company?" Mr. Homewood: "No."

Questioned by Mr. Arnold on tariff policies and the effects of inflation on the insurance market, Mr. Homewood said that V & G's 1.3 per cent. profit in 1968 was converted into a 7.3 per cent. loss in 1969 and to 14½ per cent. in 1970.

Asked whether or not V & G had to undercut premiums when the tariff went to maintain the share of the market it had built up by being non-tariff, Mr. Homewood said he thought that they had possibly undercut by "staying put" in face of rising costs.

The inquiry continues to-day.

Home Office studying security in shops

A HOME OFFICE working party on crime prevention is probing internal security in shops, including the issue of shoplifting, Sir John Eden, Minister for Industry, announced in the Commons yesterday.

He said the inquiry would be taking into account a suggestion by Mr. John Hannam (C, Exeter) that supermarkets should be made to instal warning signs at exit points reminding customers of the need to check shopping bags for unpaid articles.

Mr. Hannam said: "There is increasing evidence that large numbers of housewives are being prosecuted for shoplifting offences when there is very little evidence of intent to steal."

Mr. Hannam went on: "Supermarkets could do a lot more to help these housewives by visual signs and cloakrooms in which to deposit shopping bags."

Sir John told him: "I understand that pilferage is a very serious matter for the shop manager as well, and it must be for him to decide methods to deter and detect it."

"Easy mistake"

Then Mr. Greville Janner (Lab., Leicester North-West) spoke of the "large number of people wrongfully prosecuted."

"This is a matter of great importance to the individual shopper because it is so very easy to make a mistake at the moment," he said.

Sir John said that the question of the adequacy of the law and the penalties for shoplifting were for the Home Secretary.

Mr. Robert Adley (C., Bristol North-East) said he had received a letter from the National Association of Multiple Grocers indicating that they were more concerned about catching people than prevention. Sir John replied: "These are matters much more for advice than for regulation, and it is primarily a matter for the shopkeepers themselves."

Cheaper hotel rooms sell best in Jersey

[A] WARNING earlier this year by [the] president of Jersey's tourism [co]mmittee, Senator Clarence [Du]pré, that the island might be "[g]etting too many beds at £5-a-[da]y plus" has been underlined by [th]e latest hotel occupancy figures.

A survey by the State economic [ad]viser's office shows that in June [es]tablishments charging under £3 [a] day did relatively better than [th]ose charging £5 upwards.

While Jersey's arrivals in the [fir]st six months of this year were [?]256 up on 1970, some hoteliers, [es]pecially those in the top [br]acket, say it has not been such [a] good season as last year. Guest [ho]uses, on the other hand, seem [we]ll filled.

Mr. Philip Daubeney, president of Jersey's hotel and guest house association, said: "I would think that the industry is a little down so far this season, but that the middle-priced group is doing best"

Grading system

The policy of Jersey's tourism committee, which operates a hotel grading system, has been to encourage the industry to invest heavily in improvements, especially by providing more private bathrooms.

But the belief that holidaymakers would be prepared to pay more for a higher standard of accommodation now seems to be in doubt—at least in the present economic conditions.

Bridget Bloom, Africa Correspondent, reports from Kampala

Uganda: the threat from inside Amin's army

UGANDA's military government, headed by General Amin, who was given a warm welcome by the British Government when he visited London recently, has been in office for six months. The coup that overthrew former President Obote so shortly after the Commonwealth Conference in Singapore occasioned some shock and surprise in the outside world. And though the new Government was quickly recognised by Britain it was the source of considerable controversy in Africa. This controversy, as the last week or two of the war of words between Uganda and Tanzania has shown, continues. But what of the situation inside Uganda itself?

There are three main problem areas in Uganda to-day that raise doubts about the long-term stability of the present Government. The first is the situation in the army, the second that in the police, and the third is the state of the economy.

Undoubtedly the situation in the army is the most serious. That all is not well has been at least tacitly recognised by General Amin himself, who said in his London Press conference that the fighting which had taken place at three of Uganda's main barracks on July 12 had been caused not only by what he termed Tanzanian-trained pro-Obote guerillas but also by "rebels" within the army itself.

'1,000 dead'

The official explanation of the fighting was that Tanzanian-trained guerillas, and others (even including some Tanzanian troops and three Chinese) had endeavoured to take over the barracks at Jinja, an hour's drive from Kampala, at Magamaga, eight miles from Jinja, and at Moroto, in the north-east. Loyal troops regained control, although at considerable cost. These incidents and others since the coup, General Amin himself said, had cost the lives of 1,000 Ugandan soldiers.

There are many reasons why these official explanations cannot be accepted at face value. Infiltration by Obote supporters —or at least of disaffected soldiers—into Uganda from Tanzania cannot be ruled out. There may be 500 to 600 Ugandans, many of them soldiers, who have sought refuge in Tanzania since January.

Although in the first few days after the coup the Tanzanian Government was tempted to give Dr. Obote military backing, it did not, and it has since consistently refused such support, either of arms or training. But although Dr. Obote himself is now believed to be outside Tanzania, many Ugandans have been given refuge and no doubt have made contact with their disaffected colleagues in the army in Uganda.

But this is almost certainly the extent of Tanzanian involvement. The charges made by General Amin that well-organised groups of guerillas have come into Uganda are inherently improbable.

There have been no clashes, as General Amin now admits, along the Tanzanian-Uganda land frontiers. No evidence has been produced to show that guerillas invaded Uganda as General Amin claims from islands in Lake Victoria (which are well within the Ugandan border, are mosquito-infested and extremely difficult to reach) and—much more serious—no evidence, even after persistent questioning, of guerilla participation in the barrack fighting.

The truth is very difficult to ascertain, but it is much more likely to approximate to the description of a senior observer here with military experience that there has been a state of virtual, if limited, "civil war" in the Ugandan army, than it is to the official Ugandan position.

No one, probably not even General Amin, can establish what has happened in the army. The root of the trouble goes back to the coup if not before; for under Dr. Obote the army already had a reputation for indiscipline, and tribalism in recruitment and promotions was already a potent force.

There are two key points, however, if one is to understand the current problems. First, the coup was executed by NCOs and privates and many of the professionally-trained senior officers escaped or were killed. Secondly, many of those officers and perhaps 25 per cent. of the ranks were from the northern tribes of Acholi and Lango, the latter Obote's tribe and the Acholi—traditional army entrants—closely related to them.

After a relatively short period of bloodletting after the coup, General Amin endeavoured to win back the support of Acholi, if not Lango, personnel. But the indications are that he has failed seriously.

Forced to rely on the low-ranking coup-makers who appear to come mostly from his own northern area of West Nile, General Amin has been powerless to stop continued victimisation of the Acholi and Lango, who in their turn have become increasingly disaffected. As far as can be judged the barrack fighting—which took place while Amin was in London — was directed primarily against Acholi and Lango personnel.

There are some grisly stories circulating in Uganda just now. In Mbarara for example (where before he left for London General Amin spent four full days) Acholi and Lango personnel are alleged to have been rounded up and machine-gunned down.

In Jinja certain Acholi and Lango personnel are said to have decided, in response to events at Mbarara, to make a pre-emptive strike and to have taken control of the armoury, whereupon tanks were called up and razed the armoury to the ground. In Moroto, Acholi and Lango are said to have "taken to the bush," been rounded up, killed, and their bodies dumped in a river.

It is just as impossible to verify these stories as it is to be sure of the numbers killed. A senior diplomat here believes that 250 may have been killed in Mbarara alone. Ugandan sources put the totals overall near to General Amin's 1,000

No one can be sure that the trouble is over. But as of to-day it can be said that the Ugandan army is very badly shaken. It is ill-disciplined, it is effectively without senior trained professional officers, either in command or administrative positions.

Promotions since the coup have resulted for example in a former sergeant-major becoming a lieutenant-colonel, and put in charge of the mechanised regiment in Kampala—under General Amin's new scheme of rotating commanders, he is to become acting Chief of Defence Staff next month—in a private becoming a captain, and warrant officers majors. The present acting Chief of Defence Staff, Lieut. Col. Arube, left in charge of the army while General Amin was in London, was until a few months ago a captain.

The police is by no means as badly affected as the army, although some of the same factors apply (there are considerable numbers of Acholi and Lango in the ranks, for example). But police morale is undoubtedly low and is not helped by the fact that it is still without a head, following the transference of the previous Inspector-General of Police, Mr. Oryema, an Acholi, to Minister of Minerals and Water Resources.

So far—and it is an extremely important point—the "civil war" which has been a feature of the past few weeks has been confined to the armed forces (and primarily to the army, for there have been few reports of similar troubles in the air force). But clearly if Uganda is to enjoy any real stability something must be done. The question is, what?

Gen. Amin still seems to enjoy considerable popularity among the Baganda and other southern tribes, and he is looked on here as a conciliator, albeit without enough control of his army. Clearly the primary task is to instil some discipline into the army. Amin made a start last Wednesday by marshalling some 800 officers and men to State House and lecturing them on their duties for several hours. He has had a team from Sandhurst advising on training and it seems probable that he will ask for, and be granted, a British training team (though not operational officers).

But radical changes, including the probable demotions of some of the recently promoted, would be necessary to ensure thorough discipline, and to this he is likely to find considerable opposition within the army itself.

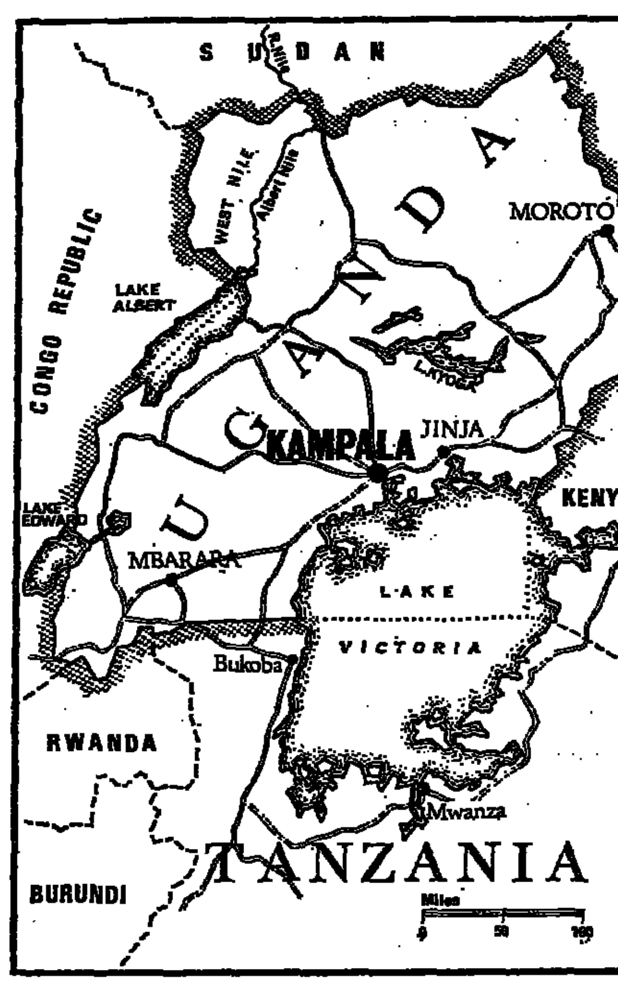
To add to these problems there already appear to be quarrels among the promoted coup-makers —Lt.-Col. Ocima who is from the same West Nile area as the General and was believed to be close to him, was removed from the post of General Staff Officer last week and is now apparently to be tried. If Amin presses too hard he may find himself threatened by those who put him in power. And he must be aware that, waiting in the wings, if presently acquiescent, are the junior but nonetheless professionally-trained officers of all tribes who have been by-passed

£14m. deficit

As if these troubles were not enough, Uganda faces considerable if potentially short-term economic difficulties. While there is still a favourable trade balance and prospects for the three major exports of coffee, cotton and copper are reasonably good, the Obote régime overspent and, with an increased military establishment (including Saracens and Saladins from Britain) the present Government is doing the same. There is an overall deficit this year of some £14m. while reserves have been drawn down to meet both import and debt servicing bills.

An IMF team recently in Uganda recommended austerity, including cuts in development and current expenditure. Civil servants and some of the abler Ministers recognise the need for such cuts. So probably does General Amin. But a military régime which is unsure of its base is not best placed to effect savings. Whether General Amin can succeed, either in righting the economy or in the vital task of restoring stability to the armed forces must remain an open question.

It may be significant that, in his pep talk to officers last week, General Amin felt it necessary to insist that a coup in Uganda was impossible.



Air charter body aims to end 'artificial restrictions'

BY RAY DAFTER

THE newly-formed International Air Charter Association has pledged itself to foster development of air charter activities and to influence elimination of "artificial restrictions" on passengers.

Mr. Anders Helgstrand, president of IACA and president of Sterling Airways, Denmark, commented: "The consumers are entitled to have free access to low-cost charter transportation and be able to move from one country to another in the same manner that passengers can do on scheduled flights."

Disadvantages

"Artificial restrictions work to the disadvantage of tourism, the consumer, as well as air carriers, both scheduled and charters, and reduces the fullest development of air commerce."

IACA, which includes two British member airlines, Britannia and Donaldson, has been established to provide a single voice for air charter activities, on the lines of the scheduled carriers' International Air Transport Association.

It has now adopted a code of ethics to provide a vehicle whereby members agree to be guided by, and to enforce Government regulations covering operations.

It has also agreed in the next year to look into the benefits derived by countries from charter operations and to establish guide-lines for obtaining equal treatment of all international charter operations.

Other officers elected for the 1971-72 term are: vice-presidents Mr. Edward Driscoll, president of the National Air Carriers' Association, U.S.; and Senor L. Salazar, marketing director of Spantax, Spain; secretary-general and treasurer Mr. Nicholas Detiere.

Councils urged to speed up smoke control

MR. PETER WALKER, Secretary of State for the Environment, has advised local authorities that there is no longer any reason why they should not go ahead with smoke control programmes and he has urged "black area" authorities in particular to consider whether more rapid progress can now be achieved.

In a circular, Mr. Walker points out that he has received reassuring advice about the present solid smokeless fuel supply situation. Unless there is an exceptional winter, supplies seem likely to be fully adequate to meet consumer demand.

Glasgow chamber would welcome EEC entry

BY OUR OWN CORRESPONDENT

GLASGOW, July 26.

Glasgow Chamber of Commerce is to inform the Secretary of State for Scotland that it would welcome Britain's entry to the Common Market, believing it would create an improved economic framework in which members would participate in the increased opportunities.

Though the impact of entry on the fortunes of companies would inevitably be uneven, the Chamber believed it would be of overall advantage. It was difficult to see small concerns as a class being worse off; general experience in the EEC showed that they, too, benefited. The Chamber particularly welcomed the terms on regional policies in playing a vital and continuing role in economic and social development.

Mr. Robin MacLellan, president, said: "Should the Parliamentary vote go against the Government's declared policy this country will have missed the only major opportunity in the past 30 years to pull itself out of the relative stagnation in which it now languishes. And the search for overseas industrial investment in Scotland will be virtually fruitless."

Scotland and other appropriate areas of the U.K. must receive regional assistance measures essential to economic development.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSES

Better coat strengthens glass

WHEN glass is first manufactured it is about a hundred times stronger than when it later emerges as a finished product—as a bottle for instance—and one of the prime objects of glass research over the years has been to devise ways of preventing this deterioration, due in the main to a surface weakening phenomenon called stress corrosion which is itself accelerated by any abrasion of the surface during use.

Back in 1935 it was discovered that a somewhat unsatisfactory coating of certain vegetable oils restrained stress corrosion, and most subsequent work has been devoted to finding an inexpensive, tough, safe, washable and sufficiently permanent coating.

United Glass Containers of Kingston Road, Staines, Middlesex, now claims to have achieved a considerable measure of success with its mark three Titan process, which is a development of its earlier Titanising techniques. In these, introduced in 1960 and 1967, it was always necessary to compromise between strength and abrasion resistance—one could only be improved at the expense of the other.

Now, says the company, the new Titan 3 process gives a high level of both parameters when used with the already available Polarfilm lubricant coating. Test figures released by United Glass show that the impact strength of glass treated in this way is about twice that of untreated glass, and at bottle smashing tests performed at the St. Albans research and development centre recently for the benefit of the Press, the figures certainly seemed to be substantiated. It was also shown that after about twenty minutes of simulated bottling production line abrasion, Titan 3 glass had about 88 per cent. of its starting strength whereas untreated glass retained only about 75 per cent.

Dr. S. M. Budd, responsible for glass research work at St. Albans, would say only that the Titan 3 coating consisted of "organic compounds of tin and antimony of a thickness of about one fifth of the wavelength of light."

In modern high speed bottling production lines breakages are not too frequent with existing glasses although the risks obviously increase as the momentum of the bottles increases. However, if they do occur they can be very expensive in down time on the line; they can involve the risk of fragments getting into other, as yet uncapped containers, and are messy into the bargain.

Already Cadbury Schweppes has decided to convert, and their entire no-deposit bottle intake from United Glass is now in Titan 3 with Polarfilm.

The glass company has announced that it will not be making any additional charge to its customers for items finished in the new process. This is to some extent a reflection of its low cost nature, although United Glass are also likely to be looking for new customers on the strength of it.

GEOFFREY CHARLISH

● PLASTICS

Keeping up the flow

ABOUT 3m. injection-moulded plastics components ranging from tiny aerosol valve components weighing only 0.677 grams to dustbins weighing 5¾ lb are now being produced daily at the Farlington, Hampshire, factories of Cope Allman Plastics.

The company is, however, faced with a growing order book and already operating three shifts a day still needs to get more from its machines. By ironing out bottlenecks in its production flow it reckons that without any major capital expenditure it will be able to step up production considerably.

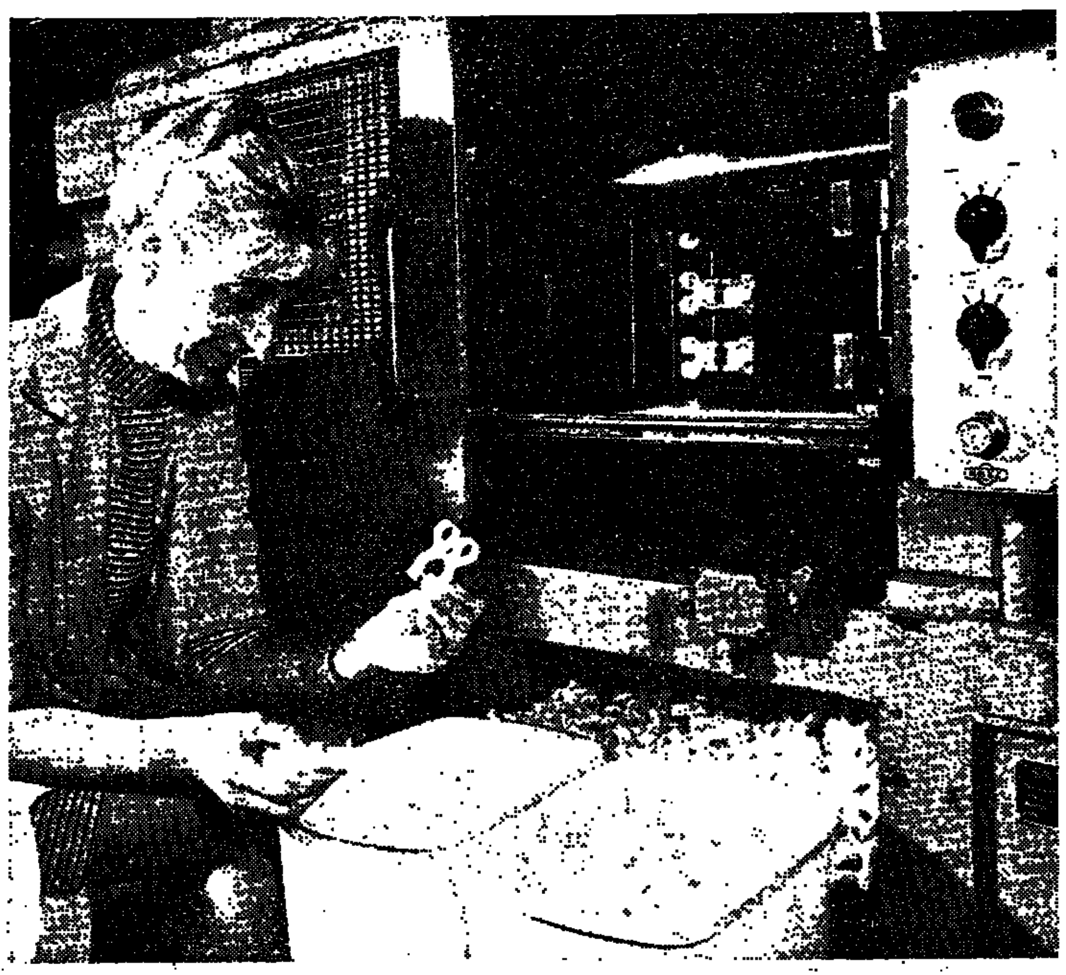
Many of the 74 machines now continuously operating night and day will be repositioned to improve work flow and to make it easier to cope with new orders and new types of product such as the Co-At plastics spacers it is already producing in large quantities for the building and civil engineering industry. The machine shown here produces over 20,000 of these spacers every eight hours.

An important new addition to the range of goods produced at Cope Allman Plastics is the MASTEP ladder. This is a cleverly engineered lightweight collapsible ladder made entirely from nylon. Although intended primarily for the boat and yacht market, the company reckons it has applications in many other areas. Marketed in kit form, the MASTEP assembles easily into either four metres of mast ladder or into a shorter length of boarding ladder of two- or three-rung widths.

The company converts 12 tonnes of plastics material per day and in its last financial year used a total of 3,250 tonnes, a 25 per cent. increase over the previous year. This rate of growth, which is continuing, makes expansion of facilities imperative.

The main materials used at the Farlington factories are polystyrene (1,900 tonnes annually), polythene (1,050 tonnes), polypropylene (200 tonnes) and a number of others totalling about 100 tonnes.

Cope Allman is confident that reorganisation of its 120,000 square feet of factory area will enable it to get more out of its plant at relatively little cost and increase its share of both the home and export markets. Value of exports rose 600 per cent. from the year 1969-70 to the year 1970-71.



● PRINTING

Drying units for printed pieces

SCREEN-PRINTED articles can be dried quickly and effectively in a range of ovens, using hot air as the medium, being manufactured by Rondec Screen Process, of Church Road, Egham, Surrey.

Articles are transported through the oven on a conveyor whose speed is variable between five and 45 feet per minute. Conveyor belts are supplied in standard lengths of five feet and eight feet and can be combined to give any desired length of run. Fabric belts are normally supplied as standard, but steel mesh belts are available as an option.

The ovens, mounted above the belts, are available in lengths of four, eight and 12 feet, and can again be combined to give any required length. The three standard widths are 12, 18 and 24 inches.

Oven casings are made of a core of asbestos and thermal wool sandwiched between two sheets of light-gauge metal. Within this, hot air is recirculated and heated by blowing over a bank of 600W strip elements. Maximum temperature reached by the air is 250 degrees C. and the temperature is controlled by a thermocouple and allied electronics. At the discharge end of the oven a cold air blower cools the parts.

Controls are fitted on the side of the oven hood, and the panel is easily removed for maintenance.

Economical incineration system

MOST types of waste can be burnt without any consequent fuel costs in the range of incinerators announced by Jenkins, of Retford, Notts.

In addition, it is claimed that the units will produce an output that is free of either smoke or odour, and that the units will, once started, proceed automatically without any supervision.

This is achieved by a new design of burner head that will move downwards towards the material front so that all the waste is subject to intense heat, if that is necessary for total combustion, and a twin air supply that carries combustion to the point where the exhaust gas is, according to the manufacturer, absolutely free of dust and smells.

Two types of ignition are available, either through the burner head, fuelled by gas, or by hand. The burner head moves downwards over the waste bed under direction from the control system as the waste is consumed. Rate of progress is slowed when the head is reaching the bottom of the combustion cells, so that there is no compaction of the ash.

One important feature of the system is that the installation can have two cells, so that the solid waste from one is being raked out while the other is burning. In addition, the machines can be supplied in sizes to suit the needs of all users from a small store to a major local authority.

● COMPUTERS

RCA tackles U.K. market

RCA is to market its computers in the U.K. and says that it has already established a computer management, marketing and technical support organisation in London.

The computers it will be marketing were introduced in the U.S. last September and include four models—the RCA 2, 3, 6 and 7.

The 3 and 7 feature "virtual" memory, a memory concept which, says RCA, utilises relatively inexpensive auxiliary storage devices and specialised operating software which greatly expands a computer's memory size without greatly increasing its cost.

Virtual memory also permits users to perform conventional batch processing, remote batch processing and time-shared interactive processing on the same computer at the same time.

RCA claims the computers are competitive with medium-sized machines currently sold in the U.K. They will be offered with, or without, systems engineering support.

Small man's computer package

A COMPUTER package for the small businessman based on the model 115 has been introduced into the U.K. by Honeywell Information Systems, Great West Road, Brentford, Middlesex.

Called the 115E, it is offered with a rental price lower by 25 per cent. than the previous smallest model in the company's compatible series 200 product line.

The model 115E is aimed at the business typically with a turnover running at under £1m. and with some 200 employees, which wants systems already programmed and ready to run on the machine. Honeywell offers the machine in six configurations and will deliver the goods with sales ledger, purchase ledger, nominal ledger, stock control and bill of materials processor systems for an all-in price.

Price of the basic Honeywell 115E configuration under a five-year, 100-hours-a-month rental contract runs at £734 a month rising to £1,021 a month for the largest of the six configurations.

● INSTRUMENTS

Detecting helium leaks

TWIN cathodes contribute to the long life claimed for a helium leak detector being marketed by Leybold-Heraeus of Blackwall Lane, London, SE10.

This unit will work down to pressures below that achieved by the company's previous instruments. In addition, it is also said to be lighter, with better electronic circuitry, and is also easier to service.

Range of operation is from leak rates of 1×10^{-11} Torr l/s up to pressures of 10^{2} Torr, without any loss of sensitivity at higher pressures.

● FINISHING

Protection of metal articles

METAL FINISHING is an interdisciplinary technology, based on science and engineering, and is concerned with the surface treatment of metals, as well as with the application of metallic coatings to non-metallic materials, with the object of conferring specific properties to t[...] These can be chemical, phy[...] and/or mechanical.

The characteristics of the[...] faces of materials have a[...] found, and often contro[...] effect on many of their o[...] properties, and for this r[...] the application of metal fini[...] throughout engineering is[...] reaching and of the gr[...] importance.

One of the main uses of [...] finishing is in the protecti[...] metal articles, compor[...] machinery and structures ag[...] corrosion by the applicatio[...] various coatings. In [...] cases an attractive appearar[...] also imparted to the articl[...] such treatment, thereby[...] creasing their market value[...]

In a recent report, publ[...] by HMSO, by a committe[...] up by the former Minist[...] Technology to investigate[...] importance and cost of corr[...] to the U.K., it is estimated[...] the annual cost of corrosior[...] protection to this country is[...] £1,365m. of which some £[...] could be saved by the intel[...] application of establ[...] methods of protection.

Additional savings coul[...] effected by further develop[...] and research work.

Since not only many o[...] existing materials, but al[...] considerable proportion o[...] rapidly emerging new mat[...] require surface treatment, [...] whole range of individual[...] composite treatments have [...] worked out in many cases[...] application of metal finishi[...] likely to increase at a con[...] able rate in the future, and[...] it, the demand for qualified [...] finishing technologists.

The Institute of Metal F[...] ing has been closely inv[...] with the development of [...] demand and will be ho[...] examinations for the qua[...] tion of graduate member o[...] Institute for the first time[...] year, in June.

The Institute is at [...] Goswell Road, London, E.C.

● PRODUCTS

Low noise in speed measuring

ELIMINATION of the noise element in the electrical signal is achieved in a new double-disc tachogenerator devised by Mr. I. M. Stephenson of Leeds University and backed by the National Research Development Corporation.

Two identical opaque discs with transparent radial slots are mounted on a common shaft. One of these is driven at constant speed while the other is coupled to the shaft being investigated. An alternating signal is generated by aligning a light source and photocell on either side of the path of the radial slits. This gives an alternating electrical output which, when rectified, is analogous to the speed of the variable speed disc on a constant voltage pedestal.

Prototypes built by the university are being used to measure the speed response of reluctance motors, and have been found to be more accurate than existing tachometers at low speeds since the noise content is normally above the measuring frequency.

Electronic calculators grow

THREE new electronic calculators were launched last Thursday on a sailing barge on the Thames by Decimo of 95 Grays Inn Road, London, W.C.1. Each of them, in its own market, will, according to Mr. Douglas Dorsett, managing director of the company, have a significant impact in the type of machine that companies are using.

Manufactured in Japan by Ricoh, all the calculators use large scale integrated circuits which are claimed to give exceptional reliability. Although they have been proved in the U.S. space programme, they have also shown that in the case of Decimo they have eliminated, almost completely, failure of the electronics.

In addition, use of the circuits allows both size and price to be reduced. In fact one of the models, known as the 1620, available either with or without percentage facility and related net key, is approximately £100 to £150 below the nearest comparable machine.

All the new models can be used for running arithmetic, so that complex calculations can be carried out without interrupting to obtain intermediate values. But these can be obtained as a matter of course if necessary. Depending on the model, displays of up to 16 digits are provided, with a fully floating decimal point.

Although the machines are claimed to offer exceptional value for money, Mr. Dorsett bases much of his success on providing machines on rental terms that can be afforded by even small organisations.

For example, he offers machines on rentals of only 12 months. But if a customer should choose to rent for, say, three years, he will have the benefit of the three-year reduction in rates for the duration of his contract. Coupled with the inevitable reduction in the value of money through inflation, this means that the real rental rate for longer term contracts is much lower than what is currently being offered for short hire.

Such a policy brings with it problems of finance, but Decimo has already carried out a similar successful exercise when it offered decimal machines against £ s d models at a guaranteed trade-in price payable when decimalisation took place.

With three years of trading behind it the company, part of Mr. Dorsett's privately owned group, is expected to turn over more than £250,000 this year.

In two years, it is expected that the company will have 14 per cent. of the total electronic calculator market, estimated to be moving towards 150,000 machines next year. With such growth in mind Mr. Dorsett is thinking in terms of offering at least a part of the shareholding in his group to the public within the next three years.

Thermostat on two jobs

TEMPERATURE control and safety cut-out for boilers are incorporated in a single control unit introduced by Danfoss, 6, Wadsworth Road, Perivale, Middlesex.

Designed to meet DIN requirements for sealed heating systems, the new model has a variable control on the temperature at which the control thermostat operates. This is adjusted by a knob on the case. It will maintain temperature of the boiler to an accuracy of within 5 deg. C.

Controls for the limit thermostate are inside the case, thus preventing unauthorised interference. This will cut out at 110deg.C., and can be reset at any temperature below 100 deg.C. If the unit should cease to function properly, in the event, for example, of the sensing head being damaged, the limit contacts will operate automatically.

Contacts are enclosed in a watertight die-cast housing, and the manufacturer says that the advantages of the dual system include ease of mounting and consistency of performance between the two sections.

Better heat transfer tubes

OVAL FIN tubes for heat exchanger applications manufactured by Accles and Pollock, a company in the TI Steel Tube Division, are now being manufactured with an internal device to promote turbulence of the hot liquid.

These tubes are designed for use in hydraulic oil coolers in heavy equipment such as earthmovers, construction machinery and mobile cranes, and the rate of heat transfer between the oil and the tube is said to be improved by between 30 and 60 per cent. by the device.

Because of its simplicity the turbulator, a twin scroll which fits neatly into the tube, adds little to the overall cost, while allowing cooler designers to either increase the safety factor or reduce the area of the cooling surface.

High-power green laser

PEAK powers of up to 300W in the green part of the visible spectrum can be obtained with a pulsed xenon laser manufactured by TRW Instruments and now available in the U.K. from Avo, Avocet House, Dover, Kent.

In addition to its high power output, the laser scores for general use in that it has a new gas refill system which extends the minimum lifetime to approximately 2,000 hours. A metered quantity of gas is merely injected through a valve from time to time to maintain performance.

According to Avo, the short pulses produced by the xenon laser give improved performance in such applications as micromachining and data recording. The instrument is also available as an ultra-violet source, in which form it gives a peak power of 150W.

Miniature dc motors

THE Escap 20 series of precision DC motors, just introduced, features an ironless rotor design which consists only of self-supporting skew windings, so that extremely low inertias and short time constants can be achieved.

Available from Portescap U.K., the motors incorporate gold alloy brushes, precious metal commutators and self-lubricating sintered bronze bearings, ensuring, says the company, high performance operation suitable for servo systems, miniature tape drives, chart recorders and similar professional electromechanical equipment.

Built-in reduction gearheads with ratios of 1:4, 1:15 and 1:59 can be supplied with the micromotors, which offer output powers from 0.15 to 3.1 Watts, starting torques from 6 to 132 gm cm, and no-load speeds up to 17,300 rpm. They measure between 20 and 33 mm long by 20 mm in diameter and weigh 20 to 65 gm.

Dual fuel engine

A BLAST of burning fuel is used to fire a leaner mixture in an internal combustion engine which can use petrol or diesel engine fuel without adjustment.

The engine was developed for outboard motor use in boating by the Dynatech Corporation, 3, New England Executive Park, Burlington, Mass., U.S.

The Dynatech engine has a small, spherical combustion chamber at one side of the main cylinder combustion area. Fuel is injected by separate pumps into both the small and the regular chambers. The mixture of fuel and air in the smaller one is rich enough so it can be fired by a sparking plug. The burning mixture surges through an opening into the larger chamber and fires the mixture there.

Because of the force of the surge, the flame reaches all parts of the larger chamber and ensures that even a thin mixture will burn completely.

Abrasives injector

RUST inhibitors, detergents and various grades of abrasive material can be injected into a high pressure water jet with a device introduced by F. A. Hughes, Blenheim Road, Longmead, Epsom, Surrey.

The injector is designed to fit the company's Mark III hydraulically assisted water jetting gun, and the abrasive or other additive can be mixed with the water either through the suction hose provided or by a compressed air feed system.

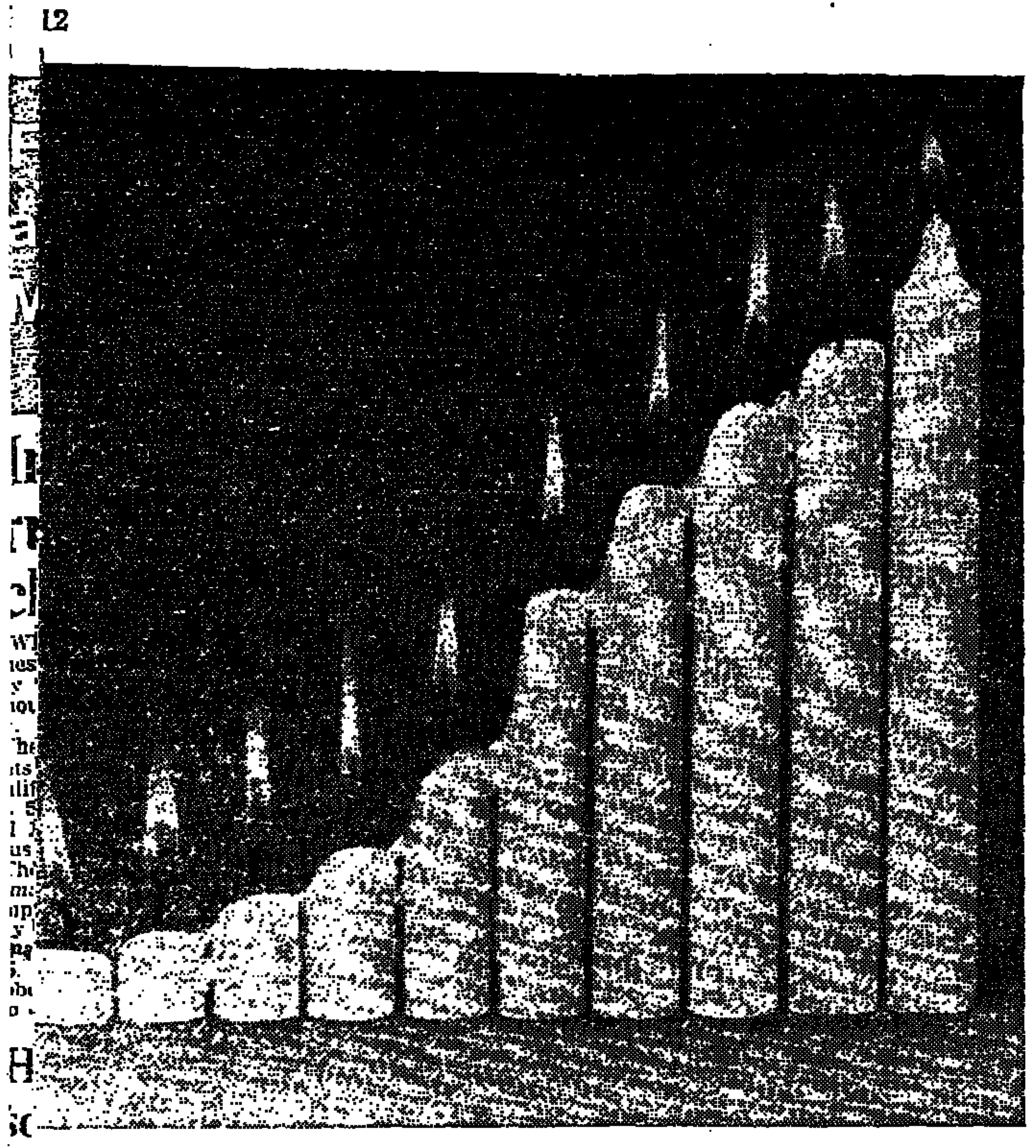
The type of surface finish obtained on the metal surface being cleaned ranges from coarse to fine satin, depending on choice of abrasive, ratio of abrasive to water, and speed of cleaning.

Graphite ribbon

AS a reinforcement for metals, graphite ribbon is being offered in continuous lengths but only .0003 in thick.

It is produced by the Minerals and Metals Division of Pfizer, Incorporated, at Easton, Penna., U.S., by depositing a thin layer of carbon on a hot surface at very high temperatures. Since the surface can be a rotating cylinder with the ribbon peeled off as it turns, the length can be unlimited.

The fibre is equally strong lengthways and crossways and will stand temperatures up to 5,000 degrees F.



TV technicians' pay increase agreed

THE Association of Cinematograph, Television and Allied Technicians yesterday accepted an 8 per cent. pay rise for its 3,000 members working in Independent Television.

With the new national agreement, which lasts for a year from July 1, comes a "substantial" bonus which can be brought into operation to offset increases in the cost of living. Current salaries are between £1,000 and £2,750.

The settlement concludes three weeks of negotiations, during which the union's executive urged members to strike if the Independent Television companies did not improve their first offer.

The companies originally offered 8 per cent. pay rises and that figure was never really in dispute. What the union demanded was adequate safeguards for its members to cope with the rising cost of living.

Now they have negotiated a scheme where members get £6 a year for every point the cost of living index goes up during three-monthly periods.

Mr. Alan Sapper, general secretary of ACTT, said yesterday that he thought the agreement was o good one.

"The union has, for its part, given way on the subject of a shorter working week and an extra week's holiday a year, but we will be resuming discussions over this with the companies shortly."

MP challenges report on absenteeism

A REPORT which says that sick-pay schemes encourage absenteeism was challenged yesterday by Mr. Dennis Skinner, Labour MP for Bolsover, Derbyehire.

Mr. Skinner said that the report, prepared for the Department of Employment and published yesterday was unjust to miners and contradicted his own information. He said that there had been a 15 per cent. drop in absenteeism in collieries in 18 months.

He said this improvement coincided with the introduction of a sickness benefit scheme for miners. He would ask the new NCB chairman, Mr. Derek Ezra, to refute the report's allegations.

The report—written by Mr. Richard M. Jones, assistant lecturer in economic and social studies at Manchester University—says that the introduction of paid sick leave schemes would almost certainly be followed by dramatic rises in absenteeism. And the larger companies had the worst attendance records, he claimed.

'END STRIKES' PLEA IN DOCKS

More than 2,000 dockers at Hull stopped work yesterday to hear a union's pleat that they should end their weekly on-eday strikes.

The men, members of the Transport Workers' Union say it is their job to load containers in a depot near the docks. Officials told them that the union would back action in "selected areas" in support of their claim. No decision was taken about ending the strikes.

NUM calls on winders to end week-end ban

By Our Labour Staff

AN APPEAL to 80 colliery winders in the Doncaster area of the Yorkshire coalfield to resume normal working was made by the Yorkshire area executive of the National Union of Mineworkers at Barnsley yesterday.

The Doncaster winders, who work the pit cages, are operating a ban on week-end working in support of a claim for a pay increase and an improvement in status.

After the executive meeting, Mr. Sidney Schofield, the Yorkshire miners' secretary, said they felt the winders' problems could be resolved in a round of pay negotiations which was to take place with the National Coal Board.

Official probe

Meanwhile, an inquiry into claims that there are too many officials in Derbyshire collieries was demanded yesterday by the 15,000-strong county branch of the NUM.

The union's area council ordered the investigation. It was told that three years ago one in every 12 workers was an official, with the figure now one in nine. If it is found that the coal field has too many officials, the union will press for a reduction.

NEW 21-DAYS-ON SHIFT SYSTEM FOR ULTRA CAST

Ultra Cast, of Bloxwich, Staffs., is to introduce the Continental eight-hour "21-days-on, one-week off" shift system soon after settling in at a new factory in Telford New Town.

Workers will work seven days a week on eight-hour shifts for three weeks, and have the fourth week off. Mr. Jeffrey Pye, managing director, said yesterday: "It will certainly be very lucrative. It will provide far more jobs for the same capital outlay."

The company, which makes pressure die-castings, believes the new shift system will mean the plant and equipment will work for over 7,000 hours a year, instead of the more conventional 1,700 hours.

60 LOSE JOBS

George W. King, engineers, of Stevenage, Herts, a subsidiary of Tube Investments, has axed another 60 manual workers.

The redundant employees, who will leave the company in the third week in September, lose their jobs two months after Kings sacked the whole of its night shift, about 90 men, who leave at the end of this week.

CI opposes higher air fare bid

By Our Own Correspondent

GUERNSEY, July 26.

AN APPLICATION by the airlines for a 10 per cent. increase in fares on U.K.-Channel Islands groups from next November is to be "resolutely opposed" by the island authorities.

This was agreed at a meeting in Guernsey to-day of the Guernsey, Jersey and Alderney delegations to the Channel Islands Air Advisory Council. Mr. H. C. Henchman, joint chairman, said: "We are taking this extremely seriously. We intend to make our views very plain.

Meanwhile, the Jersey and Guernsey representatives agreed to support applications by British Island Airways and Channel Airways for the introduction of special ITX fares (bulk rates offered to inclusive tour operators on scheduled flights) on services from Southampton, Exeter and Bournemouth next winter.

This would mean that anyone buying an inclusive holiday in the Channel Islands through a travel agent could pay as much as 40 per cent. less for his flight.

Although BEA is to oppose the other airlines' bid for ITX rates, the recently formed Channel Islands division of BEA has disclosed that it is itself considering operating charter flights on its schedules routes to Jersey.

Bankers play down Guernsey homes row

BANKERS in Guesrnsey yesterday denied reports that they were calling an emergency meeting to discuss the striking off fr[illegible] the island's Housing Control Register of 12 "settlers" homes.

A spokesman for the local bankers said: "We feel it would be appropriate to have a word with members of the Housing Authority and will be writing to them. But there is no great urgency about it and there will be no emergency meeting."

Claims that the Authority's action could lead to the devaluation of scores of settlers' homes—with a total sum of "many millions" involved—are not supported by either the bankers or Government officials.

A spokesman for the Housing Authority indicated yesterday that plans to amend the part of the Housing Control Law of 1969 which has caused the concern are already in hand.

He said: "Only a few more houses are likely to join the 12 already struck off. Mainlanders living in these houses will get licences to stay and any owner who bought on the open market in good faith will ... probability, find that ... newcomer will only need a licence from us to take over."

SPORT: CRICKET

England bat positively as India take five wickets

BY TREVOR BAILEY

LORDS, July 26.

IN A rain-shortened day England batted positively on a pitch where the Indian finger-spinners achieved both more and sharper turn than their English counterparts had done. Whether this was due to further deterioration of the wicket we will have to wait to find out when India bat again. Although the odds must now favour a draw, because of the time lost, an England victory is certainly not impossible if Gifford and Illingworth are at their very best.

England 304 and 145—5 (Edrich 62); India 313.

No sooner was play due to commence this morning, than down came the rain, followed by intermittent showers which held up proceedings until 2.45 p.m. when England were able at long last to begin their second innings.

The substantial time lost automatically reduced England's hopes of forcing a victory and the situation was not improved when Solkar, at medium pace, removed Luckhurst's middle stump with a straight ball with only four runs scored and before the first innings deficit had been wiped off.

Undeterred by this setback, Boycott and Edrich proceeded to keep the score moving, playing good strokes and scampering briskly between the wickets. Bedi was as accurate as ever, but both batsmen dealt severely with the odd loose delivery from Chandrasekhar. The pair were still together at tea when the score was 56—1. Boycott never looked in any real trouble but Edrich did play and miss on the odd occasion.

After the interval, Boycott, having cracked two resounding boundaries, was caught bat and pad pushing forward to Venkat in the leg trap for 33. This brought in Amiss, who was in the unpleasant position of knowing that a small score could well mean the end of his Test career for this season, if not for always. Before he was able to open his account, he called for an impossible single, was correctly sent back and easily run out, which meant that with the score 70—3 England were in a certain amount of trouble.

Fortunately D'Oliveira was both alive to the situation and replied with a fine flurry of attacking strokes which prevented the Indian spinners establishing the mastery they had exercised for so much of the first innings. At the other end Edrich, not entirely convincing, chugged cheerfully along to reach a valuable half-century. This lively stand was ended when D'Oliveira was bowled round his legs attempting a sweep against Bedi whom he had tried, with strictly limited success, to hit off his length.

Knott, unperturbed by one superb over from Bedi, which had him in all sorts of trouble, batted with considerable gaiety so that runs came at a faster rate than at any time in the match. The happy partnership between Edrich and Knott finished in the final over of the day with the former being caught at the wicket off the admirable Bedi.

Tour prospects

As the rain beat down here, thoughts turned to next winter when the MCC are scheduled to tour India and Pakistan. The intention is to play five Test matches in the former and three in the latter which means a very tough trip. However, there must be considerable doubt whether it will, in fact, take place. It will be remembered that the last Test match MCC played in Pakistan had to be abandoned because of a riot, while only last winter a Commonwealth side was unable to finish a match at Dacca for the same unhappy reason. Currency regulations are liable to be a problem as far as India is concerned, though the most serious threat is the present highly explosive situation existing between these two countries.

The form shown by Pakistan and India this summer indicates clearly they would be even more formidable on their own pitches, so England would need the strongest available side. However, a number of candidates are far from enthusiastic. There are three main reasons: first, the tricky political and economic situation; secondly, from a player's angle, this tour has acquired the reputation of being easily the least attractive of the major trips; thirdly, those who went to Australia last winter will inevitably be weary by next summer, having played in five consecutive cricket seasons containing the ridiculous total of 34 Test matches.

I have no doubt that Edrich, Snow and Knott, for example, would be more effective cricketers for their respective counties, and for England, if they declined the tour. On the other hand, their absence must automatically reduce the chances of England winning the rubber. What, therefore, is the more important, England's performance or the individual welfare of professional cricketers whose main duties could be said to lie with the county which pays them their wages?

Advice on further education

By Michael Dixon

A RECORD number of local advisory officers have been assigned throughout England, Wales and Northern Ireland to tell A-level school leavers about courses in further education.

The 294 officers will be running the special further education information service from this week until the end of September. The service is a combined operation by local education authorities, polytechnics, colleges, and the Department of Education and Science.

Each week the department will supply every local officer with ab up-to-date list of vacancies in full-time and sandwich courses leading to degrees or Higher National Diplomas. The officers will be able to advise about grants, starting dates, entry requirements and enrolment methods, and help aspiring students to put in an application without delay.

In 1970 the service handled about 10,000 inquiries, and more are expected this year.

World Value of the Pound

The following list contains the latest market or official rates available on July 26, except where otherwise indicated. Market rates are the average of buying and selling rates except where they are shown to be selling rates only. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchanges in the U.K. and most of the countries listed are officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area; (O) official rate; (F) free rate; (T) tourist rate; (n/c) non-commercial rate; (n.a.) not available; (B) bankers' rate; (Bt.) broker's rate; (A) approximate rate, no direct quotation available; (sg) selling rate; (nom.) nominal.

Place and Local Unit(s)		Value of £ Sterling
Afghan'tan	Afghani	206
Albania	Lek	12(O) / 30(T)
Algeria	Dinar	11.81½(sg.)
Andorra	French Franc	15.55¼
	Spanish Peseta	168.17
Angola	Ang. Escudo	68.87
Antigua (S)	E. Caribbean $	4.80
Argentina	Ar. Peso	10.65♣
Australia (S)	Australian $	2.1471½
Austria	Schilling	59.22½
Azores	Portug. Escudo	68.87
Bahamas (S)	Ba Dollar	2.41†
Bahrein (S)	Dinar	1.142
Balearic Is.	Spa. Peseta	168.17
Barbados (S)	E. Caribbean $	4.80
Belgium	B. Franc	120.05
Bermuda (S)	Bda. $ ††	2.4
Bhutan	Indian Rupee	18.04
Bolivia	Bolivian Peso	28.12½
Botswana (S)	S.A. Rand	1.718
Brazil	Cruzeiro	12.74♠
Br. Hond's (S)	Br. Hdrs. $	4.8
Br. Solmn Is (S)	Australian $	2.1471½
Br. Virgin Is (S)	U.S. $	2.41½
♠♠Brunei (S)	Brunei $	7.36875
Bulgaria	Lev	2.81(O) / 4.8(T)
Burma	Kyat	11.4286♠♠
Burundi	Burundi Franc	210.08 / 245(F)
Cambodia	Riel	133 (sg)
Cameroun Rp.	C.F.A. Franc	665⅝
Canada	Canadian $	2.46
Canary Is.	Spanish Peseta	168.17
Cape Verde Is.	Cape V. Escudo	68.87
Ceylon (S)	Ceylon Rupee	14.2[illegible]
Chile	C. Escudo (nom)	29.65(B) / 54.75(Br.)
China	Yuan	5.908
Colombia	C. Peso	47(F)♠
Congo Ex Belg	Zaire	††1.2056
Costa Rica	Colon	16.024
Cuba	Cuban Peso	2.41½
Cyprus (S)	Cyprus £	1.0
Czechoslov'ka	Koruna	17.28(O)† / 58.745(T)
Dahomey	C.F.A. Franc	665⅝
Denmark	Danish Krone	18.16
Djibuti	Djibuti Franc	508(sg)
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	2.41½
Ecuador	Sucre	(O) n.a. / 160(F) nom
Egypt	Egyptian £	1.046(A)
Eritrea	Ethiopian $	6
Ethiopia	Ethiopian $	6
Eq'l Guinea	Peseta	168.17
Falkland Is. (S)	Falkland Is. £	1.0
Faroe Is.	Danish Krone	18.16
Fiji Is. (S)	Fiji $	2.09¼
Finland	Markka	10.09
Formosa	New Taiwan $	96.24
France	French Franc	15.55¼
Fr. C'ty in Af♦	C.F.A. Franc	665⅝
Fr. Guiana	Local Franc	15.55¼
Fr. Pac. Is.	C.F.P. Franc	242.41
Gambia (S)	Dalasi Δ	5.0
Germany (East)	Ostmark	10.01
Germany (West)	Deutschemark	8.575⅛
Ghana (S)	Cedi	2.45
Gibraltar (S)	Gibraltar £	1.0
Gilbert & Ellice Is. (S)	Aust. Dollar	2.1471½

Place and Local Unit(s)		Value of £ Sterling
Greece	Drachma	72½
Greenland	Danish Krone	18.15
Grenada (S)	E. Caribbean $	4.8
Guadaloupe	Local Franc	15.55¼
Guam	U.S. $	2.41½
Guatemala	Quetzal	2.41½
Guinea	Guinea Franc	595
Guyana (S)	Guyanese $	4.80
Haiti	Gourde	12.09½
Honduras Rep	Lempira	4.85½
Hong Kong (S)	H.K. $	14.672½
Hungary	Forint	28.18(O) / 72(T)
Iceland (S)	I. Krona	212.65(A)
India (S)	Ind. Rupee	18.04
Indonesia	Rupiah	987.2
Iran	Rial	184.625
Iraq	Iraq Dinar	0.86
Irish Rep (S)	Irish £	1.00
Israel	Israel £	8.40
Italy	Lira	1,507½
Ivory Coast	C.F.A. Franc	665⅝
Jamaica (S)	Jamaica Dollar	2.00
Japan	Yen	864¼
Jordan (S)	Jor. Dinar	0.862
Kenya (S)	Ken Shilling	17.17½
Korea (Nth)	Won	5.17
Korea (Sth)	Won	857.06
Kuwait (S)	Kuwait Dinar	0.86[illegible]
Laos	Kip	1,200(F)
Lebanon	Lebanese £	7.82
Lesotho (S)	S. Afr. Rand	1.718
Liberia	Liberian $	2.41½
Libya (S)	Libyan £	0.862
Liecht'stein	Swiss Franc	9.88¼
Luxembourg	Lux. Franc	120.05
Macao	Pataca	14.41
Madeira	Portug'se Escudo	68.87
Malagasy Rp.	MG Franc	665⅝
Malawi (S)	♠Kwacha	2.00
♠♠Malaysia (S)	Ringgit $	7.36875
Maldive Is (S)	Mal. Rupee	11.40
Mali Rp.	Mali Franc	1,331¼
Malta (S)	Maltese £	1.0
Martinique	Local Franc	15.55¼
Mauritania	Maur. Franc	665⅝
Mauritius (S)	Maur. Rupee	13.33¼
Mexico	Mexican Peso	30.2
Miquelon	C.F.A. Franc	665⅝
Monaco	French Franc	15.55¼
Mongolia	Tugrik	9.60(O) / 14.40(T)
Montserrat (S)	E. Caribbean $	4.8
Morocco	Dirham	12.2½(sg)
Mozambique	Moz. Escudo	68.87
Muscat & Oman	Rial Saidi¶	1
Nauru Is.	Aust. Dollar	2.1471½
Nepal	Nepalese Rupee	24.30
Netherlands	Guilder	8.39½
Netherlands Guiana	Surinam Guilder	4.44
Neth. W. Ind.	Antilles Guild.	4.44
New Guinea	Aust. Dollar	2.1471½
New Hebrides	Franc / Aust. Dollar	219.47 / 2.1471½
N. Zealand (S)	N.Z. Dollar	2.14½
Nicaragua	Cordoba	16.89
Niger Rp.	C.F.A. Franc	665⅝
Nigeria (S)	Nigerian £	0.86½
Norway	Norw. Krone	17.17½
Pakistan (S)	Pak. Rupee	11.50
Panama	Balboa	2.41½
Panama Canal Zone	U.S. $	2.41½
Papua (S)	Aust. Dollar	2.1471½

Place and Local Unit(s)		Value of £ Sterling
Paraguay	Guarani	301½(F)
People's Dem. Rep. of Yemen	S. Yemen Dinar	1.0
Peru	Sol	105(P)nom
Philippines	Ph. Peso	15.58 nom.
Pitcairn Is. (S)	£ Sterling	1.0
	New Zealand $	2.14½
Poland	Zloty	9.6 / A 57.87(T)
Portugal	Pgse Escudo	68.87
Port Guinea	Guinea Escudo	68.87
Port Timor	Timor Escudo	68.87
Principe Is.	Guinea Escudo	68.87
Puerto Rico	U.S. $	2.41½
Qatar (S)	Q. Dubai Ryal	11.446
Reunion	C.F.A. Franc	665⅝
Rhodesia	Pound♠	0.86[illegible]
Rumania	Leu	14.4 / 45.(n.c.) / 43.(T)
Rwanda	Rwanda Franc	240(O) / 305(F)
St. Christopher	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	1.0
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	665⅝
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	6.05
Samoa (Am)	U.S. $	2.41½
San Marino	Italian Lira	1,507½
Sao Tome	Guinea Escudo	68.87
Saudi Arabia	Riyal	10.85
Seychelles (S)	S. Rupee	13.33
Sierra Leone (S)	Leone	2.0
♠♠Singapore (S)	Singapore $	7.36875
Somali Rep.	Som. Shilling	17.1415
Sth. African (S)	Rand	1.718
S.W. Africa Territories (S)	S.A. Rand	1.718
Spain	Peseta	168.17
Span. Ports in N. Africa	Peseta	168.17
Sudan Rp.	Sudan £	0.8350
Swaziland (S)	S.A. Rand	1.718
Sweden	Krona	12.44
Switzerland	Swiss Franc	9.88¼
Syria	Syria £	9[illegible]
Taiwan	[illegible]	[illegible]
Tanzania (S)	Tan. Shilling	17.17½
Thailand	Baht	50.58
Tibet	Indian Rupee	18.04
Togo Rp.	C.F.A. Franc	665⅝
Tonga Is. (S)	Pa'anga	2.145
Trinidad (S)	Trin & Tobago	4.80
Trucial States§	[illegible]	[illegible]
Tunisia	Tunisian Dinar	1.2550
Turkey	Turkish Lira	35.[illegible]
Turks & Caicos	U.S. Dollar	2.41½
Uganda (S)	Ug. Shilling	17.17½
Utd. States	U.S. Dollar	2.41½
Uruguay	Uruguay Peso	[illegible]
U.S.S.R.	Rouble	2.17
Vatican	Italian Lira	1,507½
Venezuela	Bolivar	10.8[illegible]
Vietnam (Nth)	Dong	[illegible]
Vietnam (Sth)	Piastre	665(A)
Virgin Is. U.S.	U.S. Dollar	2.41½
Wallis Is.	C.F.P. Franc	242.41
W. New Samoa (S)	Samoan Thaler	1.72
Yemen	Ryal	[illegible]
Yugoslavia	New Y. Dinar	36
Zambia (S)	Kwacha	1.71825

♦ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
♠ Government Tax of 0.2 per cent. London note rate ...
§ Of the Trucial Sheikdoms, Abu Dhabi has adopted the Bahrain dinar, Dubai, Ras al Khaimah and Sharjah have introduced the Qatar Dubai ryal as have the other Trucial States, Ajman, Fujairah and Umm al Qaiwain.
♠♠ Malaysia and Singapore and Brunei on June 12, 1967, issued their own currencies, which for the time being will be freely interchangeable.
☐ Rate of oil and iron ore exports not available.
♣ Rate of most transactions including exports, imports and non-trade transactions previously covered by the certificate rate: exceptions are preferential rates for oil exports and crude oil imports which are not currently available.
† Latest approximate official rate.
‡ London note rate 121-131.
Δ The Kwacha (equal to 100 Ngwee) was introduced on January 16, 1968. The Zambian pound remains legal tender until further notice.
♠ Rupees per pound. Tourists visiting Ceylon receive a premium of 55 per cent.
♥ Pounds per 100 rupees. The quotation is given in this form in line with the revised market practice. Tourists receive a 45 per cent. bonus on foreign currency surrendered to banks in Pakistan.
Δ There is a special tourist rate of 40 zlotys to the dollar on exchange beyond a certain amount.
¶ Hong Kong dollar to £1 sterling.
♣ The exchange rate system has been revised, and a general official parity of 378 rupiahs to the U.S. dollar introduced. London note rate 1,000-1,200.
§§ Bermuda has introduced a decimal currency, based on the Bda dollar, at a rate of 2.4 to the Bda pound, which remains legal tender for the time being.
♠♠ A decimal currency, the dollar, equal to 10 Rhodesian shillings was introduced by the independent regime on February 17, 1970. The RH pound has a parity of $US2.80. The parity of the RH dollar is $US1.40.
* A new currency, the Rial Saidi, at gold parity with the pound, has replaced the Gulf Rupee.
†† Dealings have been suspended since August 16 when the sucre was devalued from 18 to 25 to one U.S. dollar.
‡‡ There is an official market rate of about 253.2 applying to certain transactions. The rate given is the parallel market rate, and applies in general.
♦♦ Kyats per £.
† Decimalised currency, based on the Kwacha (worth 10 old shillings) was introduced on February 15.
† Rate for gifts to Czechoslovakia only.
Δ A decimal currency, the Dalasi (equal to 100 Bututs) has been introduced at a rate of 5 to Gambia £1.

هكذا من الأصل

Prior constituency vote decisive against Europe

FINANCIAL TIMES REPORTER

A BALLOT on the Common Market held in Lowestoft, the constituency of Mr. James Prior, Minister of Agriculture, has resulted in a decisive vote against British entry.

The result was 16,359 against and 6,645 for, a majority of 9,714. However, the 23,000 or so who voted were less than one third of the 72,320 electorate.

Pledge

The vote was organised by the Keep Britain Out campaign, whose chairman, Mr. Christopher Frere-Smith, claimed yesterday that Mr. Prior had pledged he would not support British entry if the majority of his constituents opposed the terms.

If he now found he could not keep the pledge "he should come out openly and say so, and resign his seat," said Mr. Frere-Smith.

After the declaration of the result, Mr. Frere-Smith said: "If Mr. Prior does not now vote against the Market he has only one course open to him—to resign his seat and fight a by-election."

However, Mr. Prior has already indicated that he intends to ignore the result of the vote. Over the week-end he described the poll as "a farce". He said he had not been given a voting slip and some families had been given the wrong number of slips.

"Less than one-third of the total electorate appear to have replied, even though every effort was made by the organisers to produce a large and adverse vote," Mr. Prior said last night. He said *he was starting his campaign* about the Common Market in the constituency on Friday.

The organisers claim that everybody in the constituency was given a chance to vote. The ballot papers simply said: "The Common Market and Britain's Entry" then asked each constituent to say whether or not the local MP should vote for or against entry. It was restricted to people over 18.

Similar ballots are now under way in two other constituencies, and the results will be declared later this week.

To-morrow, the result will be known of the ballot in Brentford and Chiswick, where the Labour MP is Mr. Michael Barnes, a secretary of the Labour Committee for Europe.

On Friday the decision will be known in Macclesfield, at present without an MP.

Meanwhile the campaign plans three more ballots for the autumn *when Parliament is about to take* the crucial decision on Market entry. Each poll costs about £1,500 to organise.

TUC to press unions for registration decisions

BY ALEX HENDRY, LABOUR REPORTER

THE TUC is to chase up member unions who have not yet openly supported its Croydon conference decision that unions should not be registered under the Government's proposed industrial relations legislation.

Letters will be sent to them reminding them of their responsibilities as affiliated members to the policy decisions of the TUC. The decision followed a lengthy discussion yesterday at the finance and general purposes committee—the TUC's most powerful policy making group—when some union leaders expressed disquiet about the situation.

At Croydon it was decided—against a tougher line being promoted by Mr. Jack Jones and Mr. Hugh Scanlon—that member unions would only be "strongly advised" not to be registered when the Government's Industrial Relations Bill becomes law.

The Bill provides for all unions to be automatically registered; therefore, to follow TUC policy, member unions will have to withdraw. This will involve them in the loss of certain tax concessions, make them vulnerable to unlimited fines for "unfair industrial practices" and exclude them from the use of some of the industrial relations machinery that will be set up.

As an act of protest, however, it will be seriously weakened if the unions break ranks and some decide to stay on the register. The one great fear is that an unregistered union could have its members "poached" because the proposed legislation offers an opportunity of gaining sole negotiating rights—but only to registered unions.

Called in

The Croydon conference also decided that any union which felt it should ignore the strong advice about not being registered should advise the TUC general council and give it an opportunity to express a view. Some unions have already been called in to discuss their situation.

Part of the motive behind yesterday's decision was the anxiety that a number of unions will not have reached a decision by the time the new register is created and all unions are automatically put on it.

Tariff aid for developing countries

Financial Times Reporter

BRITAIN is to introduce "non-reciprocal, non-discriminatory" generalised tariff preferences for developing countries in January, 1972.

The objectives of the scheme, which will affect manufactured goods and certain processed agricultural products, is designed to increase the export earnings of developing nations as well as aid the promotion of industrialisation and accelerate economic growth.

The idea of "generalised" tariffs for imports from the countries involved was discussed in 1964 at the first United Nations *Conference on Trade and Development* and a decision to introduce the system was endorsed in 1968. Last October, "mutually acceptable" arrangements were agreed upon by all parties involved.

Since then, the preference-giving countries have been proceeding with individual schemes to implement the system. A total of 91 nations, including almost all of the developing countries in Latin America, Africa and Asia, will become beneficiaries under the scheme.

The EEC introduced its "generalised" preference system on July 1 this year and Japan intends to do so on August 1. Several other nations will have schemes in operation by next January.

Scottish manual earnings gap with U.K. widens

BY ANDREW HARGRAVE

IN NO Scottish planning region except Glasgow are average earnings for men manual workers above the British average, says the latest—and last—issue of the Scottish Digest of Statistics published to-day. If all male earnings are taken into account even the Glasgow level falls below the British average.

The position is slightly different in regard to women manual workers. In three Scottish regions, out of ten, all in the industrial central belt, earnings exceed or match the British average. Taking all women, however, the picture is the same as that for men.

Overall, the earnings gap between Scotland and the rest of Britain which had been steadily narrowing up to October 1969, shows signs of widening once again.

The regional analysis of incomes is one of several new features in the twice-yearly digest which has been the most comprehensive facts-and-figures survey of life and work in Scotland for nearly two decades.

It is now being replaced by a twice-yearly economic bulletin (the first of which appeared last Friday), which concentrates on economic trends and also supplies a commentary on the current Scottish economic situation, and an annual abstract of statistics which will further broaden the scope of the digest. The first abstract is due to appear in the late autumn while the bulletins are scheduled for January and June.

Digest of Scottish Statistics SO; £1.05.

Expressway contract cut by 17 months

R. M. Douglas Construction expects that its Aston Expressway contract will be substantially completed by next month, thereby reducing the original contract period by 17 months.

Work began on January 6, 1969, on the £3.75m. contract for the section of the Expressway leading out of Birmingham to join up with the Midland Links Motorway Interchange at Gravelly Hill.

The contract was originally scheduled to be completed by December 1972, but in April 1970 it was agreed with Birmingham Corporation that the contract period would be reduced by one year to enable completion of the Expressway to coincide with the opening of the Midland Links Motorway. Douglas now expects that work will be substantially completed five months earlier than the new contract completion date.

The Aston Expressway "B" contract awarded to Douglas is about one mile long, and extends northward almost to Victoria Circus to meet the south end of Contract "A" awarded to Taylor Woodrow.

MONTAGU TRUST DIVIDEND

In the Week's Financial Diary published yesterday, the dividend of Montagu Trust was wrongly quoted as 1.75p. This should have read 3.5p.

MR. W. WARNOCK

A memorial service for Mr. W. R. L. Warnock, late chairman of the Charterhouse Group, is being held on Thursday at St. Mary le Bow Church, Cheapside, E.C.4, at noon.

HOME CONTRACTS

£900,000 P.O. work for Hawker Siddeley

Hawker Siddeley Power Engineering is to design and instal a standby diesel generating station worth £900,000 for the Post Office's new international telephone exchange under construction at Mondial House in the City of London. The exchange is scheduled to come into service during 1975.

*

Holland Products, of Holland Ward, near Derby, producers of concrete slabs, has received another £50,000 worth of contracts in the West Midlands for roadworks, a shopping centre and housing work.

Mr. David Cope, the managing director, said that during the past three years the company's turnover *has regularly increased each* year by 15 per cent., and now 15 per cent. more labour was needed.

*

Matthew Hall Mechanical Services has won a £157,000 order to provide environmental control systems in student teaching areas at the University of Stirling, Scotland. The contract will run from September, 1971, to July, 1972.

*

Paterson Candy International, a member of the Portals group, has received an order worth £436,000 for water treatment equipment from the Tees Valley and Cleveland Water Board. The equipment is for the extension of the plant at Broken Scar, near Darlington, which Paterson Candy built in 1954-55.

Winding-up petition dismissed

A petition for the compulsory winding-up of Peter Evans Eating Houses arose out of a misunderstanding, counsel for the company said in the High Court yesterday.

The Vice-Chancellor, Sir John Pennycuick, dismissed, by consent, the petition, which had been presented by Gestetner Duplicators.

Counsel for Gestetner said its judgment debt of £708 and its costs had been paid in full and he asked that the petition be dismissed with no order as to costs.

No other creditors appeared on the petition.

Events

To-day

PARLIAMENTARY BUSINESS—
House of Commons: Second reading of the Consolidated Fund (Appropriation) (No. 2) Bill.
House of Lords: Diplomatic and Other Privileges Bill, committee and remaining stages: Minerals Workings (Offshore Installations) Bill, Commons amendments: Anguilla Bill, committee and remaining stages: second day of three-day debate on the Common Market.
COMPANY MEETINGS—
CHESTERFIELD PROPERTIES, 1, Avery Row, W., 11. (Chairman, Mr. P. L. Eynon.)
CHLORIDE ELECTRICAL STORAGE, 21, Tothill Street, S.W., 10.15. (Chairman, Mr. E. Powell.)
CLOVER DAIRIES, Stoke-on-Trent, 12.15 (Chairman, Mr. E. B. King.)
COUNTRY & NEW TOWN PROPERTIES, 6, Agar Street, W.C., 12. (Chairman, Mr. G. M. Newton.)
FRASER (ROBERT) AND PARTNERS, May Fair Hotel, W., 12. (Chairman, Mr. M. Joseph.)
GRA PROPERTY TRUST, White City Stadium, W., 12. (Chairman, Mr. P. B. Lucas.)
HASLEMERE ESTATES, 4, Carlos Place, W., 11.30. (Chairman, Mr. F. E. Cleary.)
KENNEDY (ALLAN), Stockton-on-Tees, 10.30. (Chairman, Mr. C. M. Kennedy.)
NATIONAL CARBONISING, St. Ermins Hotel, S.W., 2.30. (Chairman, Mr. E. D. C. Davies.)
ROBINSON DUNN, Glasgow, 3.15. (Chairman, Mr. M. Robinson.)
SAUNDERS VALVE, 23, Blomfield Street, E.C., 12.15. (Chairman, Mr. P. T. Stephens.)
SCOTTISH ASSAM TEA, 40, St. Mary Axe, E.C., 12.15. (Chairman, Mr. W. I. T. de C. Wheeler.)
STANHOPE GENERAL INVESTMENT, 18, Wyndham Place, W., 3. (Chairman, Mr. J. W. W. Williams.)
TRANSPARENT PAPER, Cafe Royal, W., 12.30. (Chairman, Mr. J. F. E. Smith.)
TRUSTEES CORPORATION, Winchester House, E.C., 12.30. (Chairman, Lord Tangley.)
WESTERN MOTOR HOLDINGS, Plymouth, 11.45. (Chairman, Mr. R. Mumford.)
ZAMBESIA CONSOLIDATED FINANCE, 20, Aldermanbury, E.C., 11. (Chairman, Mr. A. L. Hood.)

Peterborough attractions circulated to companies

BY OUR OWN CORRESPONDENT

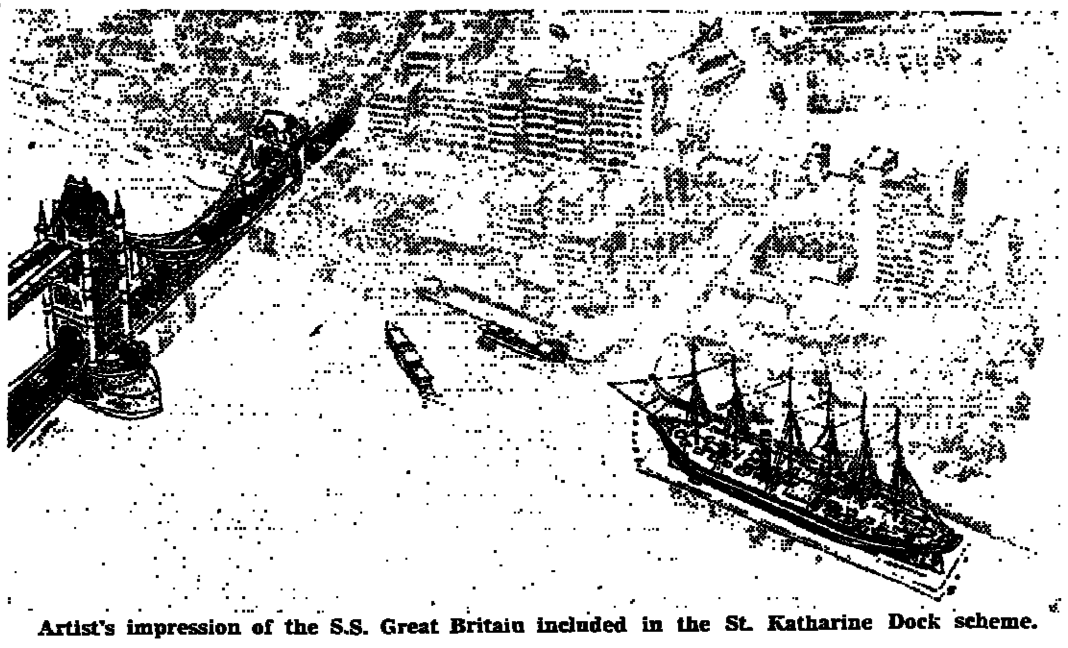
PETERBOROUGH, July 26.

SOME 12,000 London concerns are being circularised to move 80 miles to Peterborough.

"*Spread your wings in Peterborough*" will be the theme of a promotion at London's Royal Lancaster Hotel this autumn which will be opened by Mr. Paul Channon, Parliamentary Under-Secretary of State in the Department of the Environment.

Models, photographs, maps, diagrams and a slide programme showing how Peterborough to-day (86,000 people, a cathedral city and an industrial centre) will become Greater Peterborough 1985 (185,000 people and a new regional city) will be on display.

A spokesman for the Development Corporation, which is handling the project, said to-day: "The city will become a magnet for London's factories and offices seeking a cheaper, better location and room to grow."



Artist's impression of the S.S. Great Britain included in the St. Katharine Dock scheme.

S.S. Great Britain may move to permanent home in London

BY JAMES McDONALD, SHIPPING CORRESPONDENT

BRUNEL'S S.S. Great Britain—the world's first ocean-going, propeller-driven steamship—may find a permanent home near Tower Bridge, London, as part of the St. Katharine Docks redevelopment scheme. At present, the ship, brought back by preservationists from the Falkland Islands last year, has an uneasy tenure at the Great Western Dock, Bristol, where she was launched 128 years ago.

Representatives of the S.S. Great Britain Project said yesterday they had had discussions with the Taylor Woodrow Group (developer of the disused St. Katharine Docks area), together with officials of the Port of London Authority and the Greater London Council.

"Following these talks, Taylor Woodrow has made a firm offer, in principle, to the Project to accommodate the vessel on a permanent pontoon alongside the dock.

The ship has attracted over 200,000 visitors since she returned to Bristol from the Falklands, but the Project committee began considering alternative homes for the ship when Bristol Corporation refused to contribute to its restoration costs and also stressed that its Bristol berth was subject to redevelopment plans.

Mr. Richard Goold-Adams, chairman of the Project, said yesterday: "I am assured that there is no technical reason why the Great Britain should not be moved to London. She would be towed down the Avon on her own bottom, and taken round the South coast on a pontoon."

So far, the Great Britain has cost the Project about £200,000, including £150,000 for bringing her back to Bristol, and a further £50,000 in preliminary restoration costs. That included cleaning the hull, repairing it and painting, cleaning-up inside the ship, and repairing planking on the decks.

A spokesman for the Project said it would probably take another £350,000 to restore the ship almost completely.

Furnishers hit a Crowther repor

BY DAVID WALKER

THE DISCLOSURE of a true rate of interest in credit transactions as recommended by the Crowther Report would be virtually meaningless and in some ways harmful, the National Association of Retail Furnishers has claimed in a memorandum on the report to Mr. John Davies, Secretary for Trade and Industry.

The memorandum, released yesterday, warmly welcomes the bulk of the Crowther recommendations. At the same time, it alleges that "almost nobody" would understand a true rate of interest as opposed to the flat rate per cent. currently quoted in credit deals.

"There is a great danger that, if a so-called true rate is insisted upon, it will be self-defeating as so many of these protective measures turn out to be."

One result could be the growth of "thoroughly undesirable and misleading competition," the association comments. It also points out that the Crowther Committee itself felt a lack of certainty on how to calculate the true interest rate.

The Crowther Committee's call for all other charges, including, according to the Association, such things as the fee for the fitting of a carpet bought on credit, to be included in the calculation of the true interest rate is described as "most bizarre."

The Association also maintains that there is no reason for bank overdrafts and building society loans to be exempt from regulations on true interest disclosures.

It takes issue with Crowther, too, on the powers of the proposed Credit Commissioner. His task should be limited, memorandum suggests, t enforcement of legislatior ministering the registe security interests, recomme the making of regulations the legislation, administerir licensing scheme, and coll and disseminating inforn on credit law and practice.

"Keep it simple"

In general, the Assoc stresses, every effort shou made to keep legislation o subject of credit transactic simple as possible.

"We most particularly the sweeping review of th as recommended by Cro To tinker could be disast the memorandum conclude

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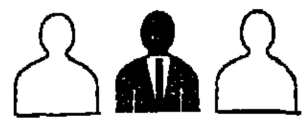

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The Executive's World

EDITED BY DAVID PALMER

Sales are nonsense

BY STAFFORD BOURNE, CHAIRMAN OF BOURNE & HOLLINGSWORTH

THE SALES are over, thank goodness. But have we counted the cost and made some attempt to calculate the balance of profit and loss accruing from the sales?

It would be interesting to *know more* about the history of sales in the retail trade. Probably some enterprising shopkeeper had the idea of hoarding his depreciating stock in order to offer it to his customers with a clamour of publicity, causing jealously and envy on the part of his competitors. In doing so, he started a biannual competition which has become, as I will show, more and more costly throughout the decades.

What benefits are there in periodical sales? Of course the retailer's unsaleable or depreciated stock must be cleared at no matter what price. So must the supplier's—this is passed on to the retailer and, provided that it *is not wrongfully described*, he is quite entitled to sell it at a profit. It could be argued, too, that the vast amount of publicity and ballyhoo given to sales stimulates the public's interest in the big shops.

Mr. Stafford Bourne

Strangely enough, the law of diminishing returns does not seem to apply. The more sales you have, the more people flock in to them. [illegible] it is because there is a continuous increase in the number of young people, old enough and affluent enough to do their own shopping. At every new sale the retailer rubs his hands with glee—he has created another record.

It is time that retailers conferred and took a long cool look at the policy of sales. My purpose in this article is to demonstrate the possibility of hidden losses which are probably greater than any profit made in the sale. But that is not all. I think that these hidden losses could not only be avoided, but that more actual profit made by eliminating sales. To achieve this calls for an imaginative and adventurous substitute. Merely to announce: "No more sales—clearances throughout the year as and when required" and to hope for the best would certainly lead to apathy and dwindling profits.

This is what I would do to reap more profit from the elimination of sales, and it needs to be done with great skill and perseverance. *In each department, or at least in selected positions on each floor, I would have a section prominent enough to be seen by the public but not to dominate the department and make the store look cheap which was as far as possible uniform in decor, lettering and general appearance.* In these sections, all stocks due for reduction in price, and all manufacturers' clearances, would be on offer throughout the year.

Of course we would need the manufacturers' co-operation, but *it is possible that they, too, would like continuous clearances of bad stock.* There is no evidence to suggest that they would prefer to retain their sales goods to the end of the reason and would not be happier to dispose of them during the season.

For weeks before a sale, our customers tend to hold off buyigg. If we eliminated sales, we would not drive them elsewhere, but retain their loyalty more steadily throughout the year. This is a bold statement which would have to be proved before *it was generally accepted*—and that is difficult. But if the whole retail trade combined together to adopt this policy, I feel that they would be astonished by the results, provided that it was well-known to the public what they were doing and why.

What are the other demonstrable costs and losses from sales? Some, perhaps all, buyers are tempted to retain goods bought in for the sale or reduced in advance of the sale until the sale starts, for the sake of good *sale figures.* This is unsound economics based on the fetish nurtured over 50 years or more of establishing record sale turnover.

The cost of promoting a sale is considerable. The cost of smothering the premises inside and out with enormous notices runs well into four figures in the case of Bourne and Hollingsworth. There is also the cost of temporary fixtures.

Throughout the sale, the premises look shoddy and the window displays are dreary. *After the first rush of bargain-hunting,* the bulk of trade during the sale is from people wanting normal goods at ordinary prices. This argument may be disputed; but consider how often you have heard the remark: "Oh, it's no use going there, they've got a sale on." And this applies equally, if not more, to visitors to London during the holiday season. They do not come to buy cheap merchandise. We would like to think that they come because our shops are attractive with good things displayed.

Sales are disorganising and difficult to administer with a large extra staff required in both selling and non-selling departments. This costs money too. Shop-lifting losses probably amount to thousands of pounds during the sale, when shoplifters are subject to more temptation and staff are too busy to keep watch.

Worst of all, perhaps, a sale, especially the summer sale, brings the season and its appropriate merchandise to an abrupt end. Summer goes on until September. Without sales, we could go on selling summer clothes with continuous clearances. The season could be phased out gradually as weather and other conditions required.

If a shop knows or fears that it is over-stocked in some line of merchandise, or if a sudden change of fashion has made a whole lot of stock unsaleable, these can be eased out through the season by lesser reductions than would be necessary if they were held back for some months for a sale. After all, unfashionable lines are even more unfashionable if they are held back.

Another thing: you have to fix dates for Sales so they are vulnerable to any sudden economic upset; a strike, adverse weather, either hot or freezing, or a mini-budget. On the principle that the first loss is the best, the retailer is faced in such conditions with the second loss, which is *much greater than it should have been.*

I think that these arguments would be accepted in theory by a number of retail managements. But I cannot help feeling that the real trouble is that nobody dares to start putting theory into practice. It is interesting that in America (and I don't necessarily agree that America should or does set the pace or inform us on correct methods of retailing) many big stores have abolished Sales altogether. And of course in this country there are already shops, notably Marks and Spencer, which do not hold Sales. Why not? Obviously because it doesn't pay. They "job off" as they go, on reduction counters.

Why do I not practise what I preach at Bourne and Hollingsworth? Perhaps I will one day, *but I would do so more happily* with the support of at least one other big store. I am utterly convinced that before long Sales will be regarded as an old-fashioned anachronism, a stunt, call it what you will, that was just plain stupid.

Meanwhile:

"Our doubts are traitors
And make us lose the good we
oft might win
By fearing to attempt."

Professor Kotler's marketing models

BY DRYDEN GILLING-SMITH

Marketing Decision Making: A Model Building Approach by Philip Kotler. Holt, Rinehart and Winston, £7.70

PHILIP KOTLER, Montgomery Ward Professor of Marketing at Northwestern University has sold nearly 200,000 copies of his *Marketing Management: Analysis, Planning and Control* since it was first published in 1967. At £6 a time this in itself is a marketing achievement.

One of the obvious reasons for Kotler's success is his ability to write. In his hands a difficult subject comes to life and is eminently readable. Apart from his insight and understanding of the subject, his skill lies in *structuring his subject,* so that a mass of detailed knowledge in a relatively new field of study can form a unity. It is this quality that has made his *Marketing Management* (published by Prentice Hall) the basic marketing text book in business schools on both sides of the Atlantic. It has also made the book the bible of businessmen who want to know in practical terms how they should assess their market opportunities, how they should approach the task of finding products to satisfy the market needs they have identified, how they should price their products, and what mix of sales outlet channels they should use to move their goods or services to the customer on terms that will maximise their profits.

In addition to his skill as a writer Philip Kotler can lecture—can put on a one-man show for two days. On his first trip to Europe two years ago he held a high-powered audience of U.K. marketing executives and teachers in a state of animated suspense during a two-day seminar at the University of Bradford.

Systematic analysis

The British Institute of Management achieved something of a scoop in persuading Professor Kotler to return to Europe for a two-day seminar on Marketing Model Building prior to the U.K. publication of his new book *Marketing Decision Making—A Model Building Approach.*

Marketing model building is described by Professor Kotler as a discipline that forces companies into carrying out a more systematic analysis of their key business decision areas. By doing this they will then concentrate on the search for data in the areas where improved knowledge is likely to make the greatest contribution to the profit picture at the end of the day. And of course model building is the only practicable way to conceptualise the almost endless interactive process between the various elements in the marketing mix.

The model for each decision (for example pricing, product design, advertising expenditure, trade discounts, etc.) is simply a statement of the facts that we know relate to that decision—for example an equation telling us that if advertising expenditure goes up by "x" then sales will increase by "y." Other areas for which mathematical models can be built from relevant data are those governing the business environment within which the firm has to operate, economic, technological and life-style forecasts and of course *such information as will assist in predicting competitor behaviour.*

The sum total of all the models relevant to a given firm amounts to what Kotler describes as a *Comprehensive Marketing System Map.*

For the more sophisticated model builder Kotler's new book provides copious mathematical notes setting out the basis for the equations he uses in his examples. But for the newcomer he is most emphatic in his warning that you cannot expect to build a complex mathematical *model of your business until you* have built up a systematic collection of the data affecting your key decision areas and to know what data to collect you need a simple outline model. Participants at the seminar were required to sketch out a similar decision map for their own industries.

The purpose of what Philip Kotler describes as his "systematic self-contained theory of marketing and decision making" is to aid the judgment of the marketing executive—not to act as a substitute for it. In the *last resort success in marketing* depends on creativity and flair—linked to knowledge.

Judgment makes policy

In the preface to his new book he quotes Alain Enthoven:

"Ultimately all policies are made . . . on the basis of judgments. There is no other way and there never will be. The question is whether those judgments have to be made in the fog of inadequate and inaccurate data, unclear and undefined issues, and a welter of conflicting personal opinions, or whether they can be made on the basis of adequate, reliable information, relevant experience, and clearly drawn issues. In the end, analysis is but an aid to judgment . . . Judgment is supreme."

INDUSTRIAL FILMS

How to preach to a captive audienc

BY JOHN CHITTOCK, INDUSTRIAL FILM CORRESPONDENT

THE ALMIGHTY cathode ray tube that can capture a few million viewers has become the communicator's ultimate dream-come-true. When commercial success or political fortune can swing—at a stroke—overnight, the magic of the box seems unchallengeable. Alongside this, the thought of a handful of people groping into a small cinema to view a 16mm. film seems a shabby kind of comparison.

Any who hold to such a cynical view may find it a curious anomaly that an increasing volume of television programmes are finding a new life in 16mm distribution. Latest, for example, is the BBC series of nine films from its programme *Computers in Business. These will shortly* be available for hire through the Central Film Library.

Transient medium

It is not difficult to understand why such apparent anomalies occur. Television is a transient medium, some might even say ephemeral. Film is not only available just when or where you want it, but it seems to have assumed a mantle of permanence. One of the best management films of all time, the British Productivity Council's *Dispute,* was last month the most heavily booked film in the Central Film Library—and it is now ten years since its release; viewers are still even borrowing *Caring for Children,* 22 years since it went into the same library.

Yet more than one industrial film critic has been known, when walking round a sponsored film library, to run a secret finger over the tops of film cans—in search of dust. And it can be found.

The fault usually lies with the sponsor. In the first place he probably made the wrong kind of film and often badly. Then he may have failed to promote it well. Ironically, this might also be the explanation for some discouraging findings in a survey of educational television in a developing country—reported in an issue of *Educational Television International.* Of 188 secondary school programmes, it was found that only 13 were regularly viewed, 11 *selectively viewed and 164* unused.

In contrast to these figures, in the U.S. a claim has just been made that the 1970 educational sales of Super 8mm. sound films increased by 75 per cent. over the previous year. Encouraged no doubt by statistics of this kind, Technicolor has introduced a new version of its 8mm. optical sound projector—the 1400—which reduces film viewing to the ultimate in self-contained simplicity.

The Technicolor 1400 projector—"reduces film viewing to the ultimate in self-contained simplicity"

The audience is there then, provided the right films are being made—a truism that 90 per cent. of all sponsors overlook. To exemplify the good and the bad, I do not have to look far in the last fortnight.

Partnership for Prosperity, from Anglesey Aluminium, is a perfect case of a film that is preoccupied with the sponsor's needs and neglects those of the audience. It is about the development of the large aluminium plant on Anglesey's coast, and in particular applies itself to the environmental issue. Since Rio Tinto-Zinc is part of the Anglesey Aluminium consortium, the timing of this preview was bound to invite conservation *scrutiny. And the title of the* film tells you, before you are seated, the conclusions to which the audience are going to be led. Since the film itself is patently smoothing over the thorny issues, it can only usefully address itself to the converted or the indifferent. Thus the very audience group for whom I suspect this *film is* intended will find nothing to justify its interest. How much better to have really called a spade a spade and a 400 ft. chimney an eyesore—provided the case for building the plant in Anglesey was, in the end, well-argued.

In contrast, it may seem obscure to cite as an example of sensible sponsorship a modest film like *Insulated Transit Containers.* Made by WCB, which manufactures containers of all kinds and sizes, this film recognises that if you want to win an audience over it is necessary to care about its interests. Thus, instead of boring the viewer with a miasma of sales talk, WCB has chosen to show some interesting uses (and data) about pre-cooked frozen meals—which are transported in WCB insulated containers. Hospitals, schools and industrial caterers *will find this film genuinely* interesting—which is the best way I know to win over an audience.

The more a sponsor can isolate a specialist intere[st] his intended audience, the likely will he succeed. [...] facturers of medical supplie[s] the shining example—and a[n] idea called Medical New[s] which was launched yeste[rday] takes this a step further. [...] half-hour films, containing [pro]duct and editorial items, going to be shown to GP[s] their own premises (by i[nvita]tion). To succeed, howeve[r,] sponsored items on pr[...] must *of course appeal to th[e]* and not waste his tim[e]. elementary fact that m[...] sponsors invariably ob[...] Their sense of propriety r[...] it easy to smile on invit[ations] like one for a Reckitt [&] Colman childbirth film tha[t] me "The performance of B[...] *Delivery* will take place at [...] p.m. . . . A cold buffet lunc[h will] be available afterwards." [...] sal volatile?

Classic situation

Along with Medical New[s] another new idea in rea[...] audiences has been anno[unced] by Sound Services—the op[ening] of a cinema at London Ai[rport]. This will run programm[es of] sponsored *films 10 hours* [a day] 7 days a week. Idle trav[ellers] will be free, of course, to w[alk] in—but sponsors must pa[y for] the screen time. Here is a c[lassic] situation where the films only work if they accep[t the] necessity to win the audi[ence's] interest.

Port Rashid, a Costain [film] does this against formi[dable] odds. The story of the bu[ilding] of the largest harbour i[n the] Middle East (in Dubai) p[...] in that impossible class o[f] prolonged construction film[s;] this case it works, and [...] almost interest any audien[ce].

Sometimes, a spo[nsor's] motives may have little [...] with the apparent purpose [of the] film. Such is obviously th[e case] in *The Little People*?—an [...] Shell and BP film that s[...] with some charm, that Ir[eland] does *have industrial pot[ential]* and enterprise. It also [...] that when it comes to intel[ligent] sponsorship, Shell and B[P are] not lacking in industrial [enter]prise either.

The captive audience [...] cinema, too often regard[ed as] *God's gift to industry,* in f[act is] rarely achieved without [...] something in return. And [...] its physical captivity, its [...] and heart still has to be [...]

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TUESDAY JULY 27 1971

EFTA's links with the EEC

that the negotiations en the Six and Britain for all intents and pur- been concluded, one of ain problems facing the on Market in its relations he outside world is what ements to make with the EFTA members. Two of —Denmark and Norway— ndidates for full member- nd, given a successful con- n of their own negotiations favourable result in the nda which they are con- onally obliged to hold, are join at the same time as . But the position of the EFTA countries is much complicated. Although at me it was thought that a m solution could at least nd for the neutrals, it has become apparent that n is seeking much closer with the Six than, for e Austria, Switzerland or d. Others, such as Portu- nd Iceland, have special ltural and fishing inter- which obviously require made arrangements.

trade

easy way out would have to accept the European ission's proposal that the t industrial free trade ar- nents between the EFTA ies should be maintained o years after Britain's into the Common Market. ourse of least resistance, er, was understandably d by the Six. Apart from putting off the day of n, it would have given the full members-elect a pre- e over the Six in the mar- f the other EFTA coun- uring the interim period. d, the Six have come out our of a general formula, which the arrangements he EFTA non-candidates negotiated during the months will be based on rial free trade, with ex- ns for a few very sensi- roducts.

situation, however, is still ed, particularly in the f Sweden. The Swedes been pressing for an arrangement going far beyond an industrial free trade area with the Common Market, while preserving their traditional neutrality and independence of decision. They have proposed not only the creation of a full customs union with the Six and participation in the common farm policy and other joint policies, but the setting up of institutional machinery which would give them a say in some of the Community's decisions. On this last point, the Swedes have been firmly rebuffed, since it is obvious that it would give them the advantages of full membership without many of its obligations and set a precedent which could easily lead to the complete dilution of the Common Market. Nevertheless, it still looks as if Sweden will have to be treated separately, thus adding to the already great difficulty of finding an overall solution for the non-candidate members of EFTA.

Deep concern

Even more important than these purely intra-European problems, however, are the effects that preferential trade arrangements of the kind now contemplated between the EEC and EFTA are likely to have on relations between the two sides of the Atlantic. Although lip-service is still paid in Washington to the idea that the achievement of European unity is worth paying an economic price, there is no mistaking the deep concern of the U.S. about growing European protectionism. The Americans have already proposed that the arrangements for the non-candidate members of EFTA should be discussed in a wider forum, such as the special committee on world trade which was recently set up by the OECD. This suggestion has virtually no chance of being accepted. But there can be no doubt that the U.S. and, indeed, Japan will put up a stiff fight in GATT against any extension of the European preferential area which is not in strict accordance with the organisation's rules.

Incomes policy over there

ONNALLY, the Secretary U.S. Treasury, was as istic as ever about the mic outlook when he spoke levision this week-end. other people are less ul: the business recovery tinuing, but not nearly as r as surely as the Nixon istration originally . Defence and capital in ent expenditure by indus is levelled out. The main h point at this stage of the must be consumer spend- and consumers, though ing more on a wide variety ds, are also still saving an nally high proportion of disposable incomes.

. manufacturing industry rating at less than 75 per of capacity and unemploy- which President Nixon hoped to bring down to 4 ent. by the time of next election, is running at 6 per cent. While the my is pulling only slowly f recession, moreover, in- is still a serious prob- The rise in retail prices een brought down to an l rate of 2.7 per cent. in rst quarter of 1971, but g the last couple of months been running at a rate of r cent. It is the combina- f inflation and a business ng which has caused a jump in imports and d the visible trade account deficit.

est rates

attitude of the Adminis- n towards the use of fiscal res to stimulate the my must be coloured to extent by the monetary ion. The money supply llowed to rise much faster expected during the first of the year and Dr. Burns, hairman of the Federal ve Board, has given a clear ng that this cannot be al- to continue. Yet interest have already risen sharply they touched bottom in pring. The prime bank g rate rose to 6 per cent. weeks ago, the Treasury ust had to offer a coupon er cent. on a 10-year bond, the official discount rate now been raised to 5 per cent. after four successive reductions. The emphasis of monetary policy has clearly changed, although a further rise in interest rates might well check the pace at which the economy is recovering.

Dr. Burns is well aware of this. The Federal Reserve is taking a firmer grip on the money supply only because it is worried about inflation. Dr. Burns himself, who has long advocated the introduction of some sort of prices and incomes policy, has recently—together with many other people, like the main spokesman for organised labour—taken to pressing this point of view both urgently and publicly. And it is not impossible that the President will eventually give way.

Unemployment

It is certainly disappointing that the overseas trade account should have deteriorated so much so quickly. If it continues to worsen, the Administration will find it increasingly difficult to resist Congressional demands for protection—especially at a time when the European Economic Community is due to be significantly enlarged. That is why it has already taken the initiative through the Organisation for Economic Co-operation and Development, a committee of which is to draw up recommendations about the holding of a new international trade conference.

In public, however, the Administration's main economic concern is about unemployment and inflation. So far as unemployment goes, the striking fact is that Mr. Connally, in a press conference held immediately after his appointment as chief economic spokesman for the Administration, dismissed the "4 per cent. norm" which the President was thought to be working for as a myth. He was not, he said, satisfied with the current rate of 6.2 per cent.; but some of it was due to the release of servicemen from Vietnam and cuts in the defence programme and actual employment was not far short of an all-time record. Further measures to stimulate demand and reduce unemployment would only worsen the inflation.

● A dry August could mean drought for many parts of Britain. Domestic water consumption alone now averages 37 gallons per head per day, and could reach 60 a day in 30 years. But new reservoirs are often bitterly opposed—so where will the extra supplies come from?

A race against the nation's thirst

BY DAVID FISHLOCK, SCIENCE EDITOR

DIFFICULT though it may be to believe, the lobby in Britain against fresh water is more effective than those against Concorde or any other kind of advanced technology. All over the country local forces are sternly resisting the encroachment of new reservoirs that the demand curves for water show will soon be needed—if they are not already—should Britain get the kind of weather for which most of us pray.

Last week-end the British Waterworks Association, after only three weeks of dry weather, forecast serious trouble for many people in England and Wales should August also turn out to be dry. Some people in Devon and Ipswich, for instance—both regions where there have been strong objections to schemes for expanding local water reserves—have already had cuts in domestic supplies.

Rainfall big enough

Sir William Goode told a Royal Society of Arts meeting on water resources in London earlier this month that "already it is too late to prevent serious risk of water shortage in the next few years in several places such as Hull, Sheffield, the West Midlands, South Wales and Plymouth." Sir William is chairman of the Water Resources Board, set up to advise the Government after Britain's last drought, in the summer of 1959.

A former Minister of Health once remarked that only a genius at organisation could create a shortage of water in Britain. Certainly the experts agree that our total rainfall is great enough to meet our immediate and prospective needs, even though these forecast that we must double supplies by the year 2000.

At present we abstract—to use the term water engineers prefer—about 13,000m. gallons of water daily in Britain. Customers fall into three broad categories: public water supplies (two parts), industry (two parts) and electricity generation (five parts). Fortunately the lion's share, the 7,500m. gallons of cooling water a day used by the generating Boards, is returned almost unchanged—if anything, purer—except for an increase in temperature. It is no solution, therefore, to argue that if we were less profligate consumers of energy we could get by with much less water.

But demands from the other areas of consumption—domestic and industrial—are rising rapidly for reasons that cannot easily be reversed. Public demand for water is rising both as a consequence of an expanding population (67m. people is the forecast for the U.K. by the end of the century) and of a rising standard of living. Our domestic needs, now 37 gallons apiece each day, could rise to 60 inside 30 years; a pattern that advancing societies worldwide have followed.

Industrial demands for water have proved harder to forecast. But two things are clear, says Mr. Leonard Millis, secretary of the British Waterworks Association. First, the more highly scientific and complex industrial processes become, the more water they need. Secondly, much of the technical advance of production methods is accompanied by greater use of heat, and hence by a growing demand for more cooling water.

It is often said that, instead of drowning Welsh valleys or flooding East Anglian pastures to make reservoirs, much more could be done in managing existing resources. Critics instance better methods of preventing wastage of water, whether due to leaks or consumer carelessness, re-cycling of water by industry, metering of domestic water, and dual supplies to the home of drinking and non-drinking water.

Ideas such as these are being studied by the water industry. But what is clear from a review of the situation, says Mr. Millis, is that they "will not be sufficient to provide the 100m. gallons which is the additional daily supply required in each future year."

Real risk of drought

We must still reckon, somehow, to double supplies in the next 30 years. It can be done, the experts believe, and it can be done without undue harm either to rivers or countryside. But it means major development works, says Sir William Goode, which means that big and difficult decisions have to be made. "There are no easy options left."

The options we face at the moment lie between a real risk of drought and the construction of several big new reservoirs in England and Wales (Scotland seems to have few water problems). In the mid-1850s such water-borne scourges as cholera—which claimed 20,000 lives in 1854—and typhoid drove Britain's big cities to seek fresh sources, deep in the uplands. Birmingham and Liverpool looked to Wales, for example, and Manchester to the Lake District.

Now new reserves are urgently needed. But locations are scarce in a crowded country, and inevitably have begun to encroach on fertile land, beauty spots, and even small centres of population. For six years Devonshire resisted attempts to build a big new reservoir at Meldon, finally approved only in 1968. But a major reservoir takes five years to construct. The North Devon Water Board is one of those now applying for a drought order.

Four major centres in England, however, are still less fortunate, for their proposed sources of new water supplies have been rejected. The biggest is the 160m. gallons-per-day project to regulate the Severn from a big reservoir in the Dulas Valley. Such schemes as Llyn Celyn on the Dee and Clywedog on the Severn have already demonstrated the benefits to be gained from regulating reservoirs from the top of a river. This benefits the river itself, and prevents fresh water flowing straight out to sea.

Another rejected scheme was that for Calderdale in Yorkshire, intended to provide 5.8m. gallons a day. Here, too, application has just been made for a drought order. The objection to this reservoir is that it would flood land owned by the National Trust.

On Dartmoor another scheme estimated at nearly £7m. to provide Plymouth and south-west Devon with 50m. gallons per day of water from a new reservoir at Swincombe was rejected only last December. And at Farndale in Yorkshire plans for a £8m. reservoir yielding at least 47m. gallons of water daily for the Sheffield, Hull, Humberside and North Lincolnshire region have been blocked by protests that the valley chosen is famous for its daffodils.

London and the South-East are better placed than these four thirsty regions, for this summer a new reservoir at Wraysbury holding over 7,000m. gallons of water was commissioned, and another at Datchet (over 8,000m. gallons) is midway through construction. Nevertheless, so fast is London's demand for water increasing that the South-East must find a site for another big reservoir in time to tap its water early in the 1980s.

National 'grid'

What are the alternatives to inland schemes for preventing our rain water running to waste? One, necessarily long-term, might be a national distribution "grid" to balance the moist with the arid regions, but both the expense and the time it would take put the scheme out of court as an immediate solution.

Another solution, also long-term, is offered by estuarial barrages. Three possible sites for big schemes in England have been discussed: the Dee, on which a report has been published by the Department of the Environment and the Welsh Office, Morecambe Bay, where the Water Resources Board has completed a three-year study; and the Wash, where the Board has just begun a similar study.

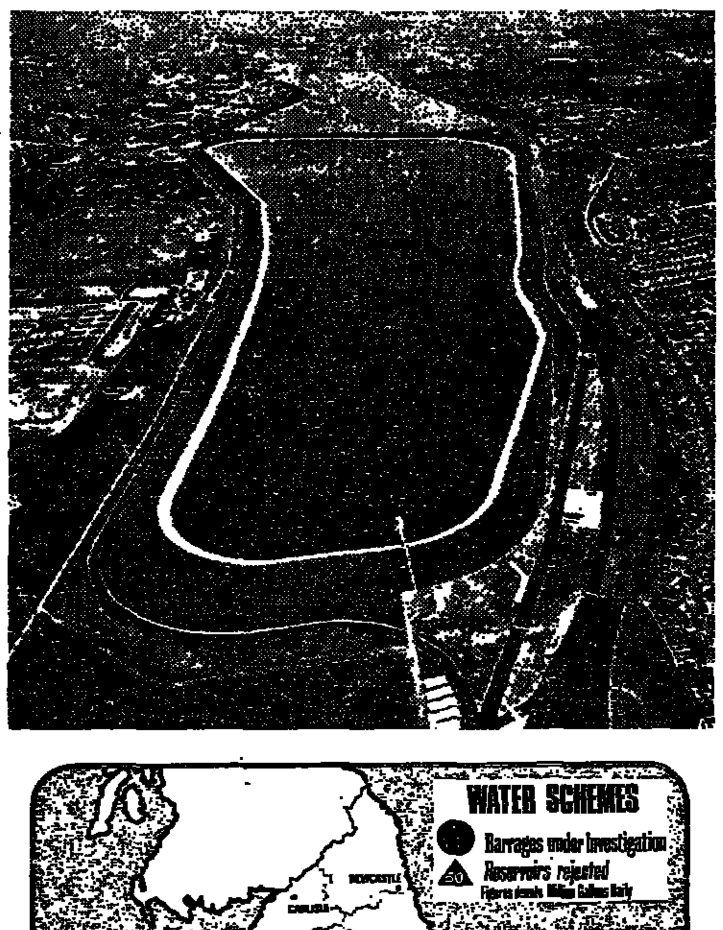
Some idea of the scale of such schemes can be gauged from plans for the Wash barrage, where the feasibility of a partial barrage that could yield three or four pumped storage reservoirs will take the Board six or seven years to study, and cost the Government £2m. If successful, however, it could lead to major new "offshore" reservoirs for the region in the early 1980s. Trial banks are to be erected between the mouths of the rivers Great Ouse and Welland, for the success of such a scheme depends crucially on the quality of the water impounded at the river mouth.

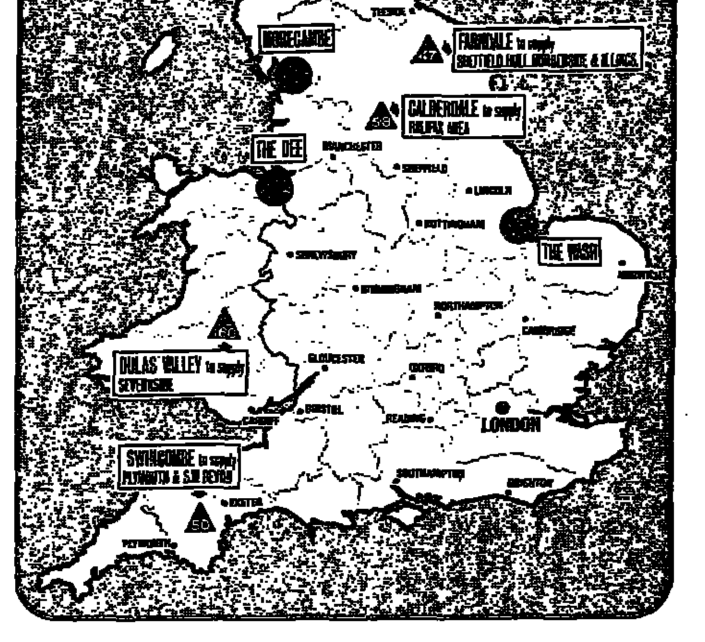
Desalination plant

One further idea has begun to excite attention in the past year or two. This is desalination, already demonstrated in Jersey and Guernsey as a useful method of meeting the peak demand when tourist traffic and market gardener's needs coincide in mid-summer, in an area where new reservoirs are out of the question.

Earlier this year, the Government agreed to provide £2m. for the prototype of a new kind of plant, which promises to desalinate water more cheaply when fed with the cold brine that there is around Britain. The idea is to freeze seawater in such a way that it yields salt-free crystals of ice, then remelt and add the pure water to local water supplies.

Proponents of the process looked for a site in Britain where their new process might be tried most advantageously, in conjunction with local water supplies. They chose Ipswich, where water is drawn from local boreholes that cannot be pumped much further—hence the restrictions on domestic supplies last week-end. Their case was that their prototype plant would add up to 1m. gallons a day to the city's supply by 1973, and could point the way to plants ten times the size, attractive to many cities around the northern coast of Europe. The alternative would be to commit much more money to the construction of a big reservoir for the region, encroaching on valuable farming land. So far, however, despite the Government's support for the idea, local opinion has thwarted the project.





Above: major water storage projects proposed for England and Wales. The four reservoirs—an estimated £30m. investment—have been blocked by local conservation interests. The three "off-shore" barrage schemes are still undecided. Top: aerial view of two of London's reservoirs, at Chingford, King George's (425 acres and 2,729m. gallon capacity) and the William Girling (334 acres, 3,493m. gallons).

MEN AND MATTERS

How old fossils and Arabic made a millionaire

Wendell Phillips, palaeontologist, archaeologist, author, professor of Wisconsin University, war correspondent, ex-economic adviser to the Sultan of Oman, self-made millionaire of the oil industry, is "considering the possibility" of going public with his Wendell Phillips Oil Company. This is the first time that Phillips, still only 49, has admitted that he might want outside participation in what must be among the largest individually owned oil businesses in the world (some estimates make him worth $500m.).

The reason is not hard to seek. Having started as a sort of broker—getting offshore oil exploration concessions and then interesting others in buying lots or exploiting them, keeping a royalty himself—he has moved to being a principal, doing exploration and exploitation himself. And that can be very expensive.

A few months ago Phillips got what he claims to be the largest offshore concession ever made in the Middle East—off Oman. Late last year he got an offshore concession from the South Korean Government which provoked controversy between Korea and Japan. A year ago he got a concession in Indonesia. With offices in Honolulu and London (he stays at the Dorchester, where the sheikhs all stay) Phillips is a very peripatetic man.

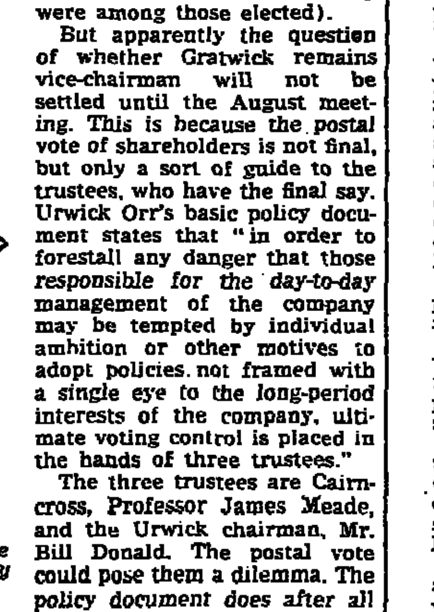
It all began when Phillips, a Californian, led expeditions to Africa and the Middle East "and learnt Arabic in the gutter, except that they do not have gutters, they have sand-dunes." Author of several books on the Middle East, Phillips solved the trick that has baffled so many—that of winning the confidence of the feudal rulers of the Middle East.

His first concession ("my degree in palaeontology was, accidentally, a training for oil") came from the ruler of Oman in 1952. Then came Libya, Venezuela, and Oman again in 1965. Not all produced oil. But enough have to make him rich. How he then got the Indonesian concession is instructive—it included adopting 100 Indonesian children, and instructing Indonesians about to go on pilgrimages to Mecca on how to pronounce the Koran. "In the oil business, you have to use every means."

Phillips has a new book nearing completion on the life of Jesus. It is over 1,000 pages long, with footnotes. He hopes that soon he will have more time for such scholarly work. But with only about 20 full-time employees, his business, if it is to go public, may need a lot of attention. And he has about a score of doctorates already.

Commemoration on Cornhill

On Friday the Union Discount company is having the Poet Laureate, Cecil Day-Lewis, and the vicar of Stoke Poges round to lunch in the room where the Discount market agrees its Treasury bill tender. This meeting of the spiritual and financial is all because the poet Thomas Gray, who died 200 years ago, was born on the site of Union Discount's offices at 39, Cornhill, London, and later wrote his Elegy in a Country Churchyard at Stoke Poges. Union Discount has a plaque on its wall, and is sending out to clients and shareholders 7,000 specially designed First Day Covers with Thomas Gray stamps on them—part of the Post Office's literary anniversary series. Mr. John Warr of Union Discount says that the company is also considering sponsoring studies of Gray, perhaps at Cambridge, where Gray lived most of his life.



"It would take an optimist like Robert Maxwell to see an easy way out of this problem."

Urwick Orr's self-examination

Interesting management changes seem to be afoot at Urwick Orr management consultants. A special committee consisting of Sir Jack Scamp and Sir Alec Cairncross (the first being an outside director and the second a trustee of the company) is considering a reconstruction of the Board structure governing Urwick Orr. There will be a meeting on August 16 to decide the new structure.

Meanwhile, a postal vote of shareholders (who are all employees—Urwick Orr is a sort of co-operative) for election of directors has had an odd result. Mr. John Gratwick, until very recently managing director of Urwick and in May made vice-chairman, was among those standing but not elected (Mr. John Humble, of Management by Objectives fame, and Scamp were among those elected).

But apparently the question of whether Gratwick remains vice-chairman will not be settled until the August meeting. This is because the postal vote of shareholders is not final, but only a sort of guide to the trustees, who have the final say. Urwick Orr's basic policy document states that "in order to forestall any danger that those responsible for the day-to-day management of the company may be tempted by individual ambition or other motives to adopt policies not framed with a single eye to the long-period interests of the company, ultimate voting control is placed in the hands of three trustees."

The three trustees are Cairncross, Professor James Meade, and the Urwick chairman, Mr. Bill Donald. The postal vote could pose them a dilemma. The policy document does after all say that apart from one or two outsiders "the Board shall consist of those persons who occupy the top executive positions in the company."

Yo ho ho

I am sad to hear that Barbados has adopted a new official motto to go with its new coat of arms. The new one is "Forward, Onward, Upward Together." Dull compared to the old one—"Pirates Expelled, Commerce Restored."

Observer

During the past 24 hours the charges and counter-charges over Spanish holidays have grown in bitterness. They follow a whole succession of unfortunate incidents. ***Arthur Sandles*** *examines*

Spain's summer of travel discontent

BRITAIN'S tour operators think of themselves as fighting a war on two fronts this week. A team from the Association of British Travel Agents stands ready to fly to Madrid to protest *against Spanish* hoteliers giving beds previously allocated to Britons to Germans and Swedes; meanwhile a high-voltage battle is going on between the operators and the *national Press. Two weeks ago* the latter resulted in the chairman of ABTA firing off a protest to the Press Council. Newspapers, he feels, are getting the whole question of package tour complaints out of perspective.

In fact the tour operators have been caught in a serious predicament. A *running price* war has so squeezed margins that some organisations are *apparently feeling* the strain; tour operating has been so successful in numerical terms that a small percentage of complainers amounts to an appreciable number of people; and the fact that in *most* households the annual holiday is the largest single item of expenditure makes anything remotely affecting that holiday news indeed for the Press.

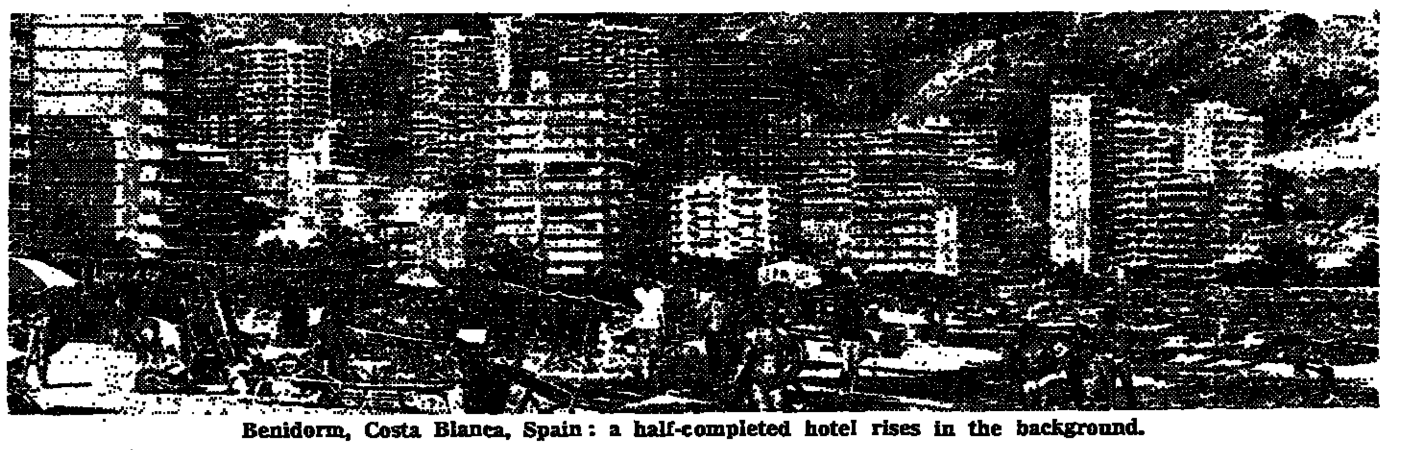
Rumblings

Somewhere between 2.5m. and 3m. people will have taken package tours by the end of *this year and the vast majority* of them will go to Spain. Among the biggest tour operators are Clarksons, Thomsons, Cosmos, Horizon, Sunair/Lunn Poly and Global. These, plus another dozen or more, handle almost all the package tour business in the country. Clarkson and Thomson between them probably account for about one-third of the available traffic.

The rumblings of trouble have been going on since early in the season. The problems of the cruise ships Delphi and Galaxy (Clarksons and Cosmos respectively) were simply the start. *Things have* now culminated with rows over hotels being unfinished and overbooking.

"Reports have inferred that many holidaymakers are being severely inconvenienced and holidays ruined," said a somewhat piqued Travel Agents Association. "This is a complete distortion of the truth. This year nearly 3m. British people will travel abroad on *package tours.* It *would be* irresponsible for us to deny that, in moving such a vast *number of people,* problems cannot occasionally occur.

"Not least important, during this peak holiday period, tour operators have had to contend with overbooking situations caused by a few hoteliers who overbook in the hope of a shortfall. Naturally, this devious practice comes to light *during the peak season. But* the few holidaymakers affected are being offered higher value alternative arrangements, the cost of which is being borne by the tour operators concerned."



Benidorm, Costa Blanca, Spain: a half-completed hotel rises in the background.

As most operators will privately admit, one of the difficulties is that they are trading in dreams. If you are marketing, in a glossy brochure, holidays that are "guaranteed" (Clarksons) or challenge: "If you can find a better holiday, take it" (4S, a subsidiary of Horizon); if you claim "we have your holiday at heart" (Global) or even say "(we) turn dreams *into holidays" (Blue Sky), it is* difficult at the end of the day to say that the client should not expect more than his £35 can rightly buy.

Behind the scenes during the *last few weeks there have been* one or two tawdry battles between operators and the Air Transport Licensing Board because some operators wanted to advertise tours for less than the actual price would be. The argument was that the basic tour cost was £X and it was only insurance or Government minimum pricing which pushed it up to £X plus £3 or £4. The additionals would have been inserted in the small print.

Although few of the big tour operators would publicly agree, narrow margins are a crucial part of the debate. This has certainly been said time and time again by the retail side of the travel industry. The subject of low margins is on this year's agenda for the annual conference of the Association of British Travel Agents—an item *which* at one point risked erasure. Tour operators apparently thought it might give an antagonistic Press an opportunity for further criticism. If there was a further attack the reaction of the travel industry could be severe. There have already been calls (not least from the ABTA chairman) for discussion of a Press advertising boycott.

Complainers

Over the years the tour operators have built up a fairly sophisticated system for dealing with complaints and are now saying that they are beginning to be taken for a ride. With their much-publicised willingness to give cash rebates on some occasions there is little doubt that the professional complainers do sometimes find the operators easy meat. Most tour organisers cannot, however, afford to be too generous too often. It is hardly a secret that margins are down to around £1 per passenger and some of the bigger operators (Lunn Poly, Thomson) have been running at substantial losses during the past couple of seasons.

One of the difficulties is, of *course, that contracts are signed* months ahead of actual operation. By the time the first client arrive there may be a different manager at the hotel and a different chef. The bargain suddenly becomes a hornets' nest of complaints.

The delays at Luton and Gatwick recently were in many cases the responsibility of French air traffic controllers who are working to rule and delaying charter and scheduled flights alike. Since most U.K. and Scandinavian holiday traffic must pass over French airspace, the cumulative delays have had a serious effect.

None of this gives the tour operator a particularly good image and now the strain is beginning to tell. Last night Mr. Harry Chandler, chairman of the Tour Operators Study Group, lifted a little of the veil of *silence* over negotiations which have been going on over the years between the Spanish authorities and the tour operators on the question of overbooking.

This is a widespread practice whereby hotels and airlines build in a "no-show" factor. An airline running from Paris to London, for example, which has a high level of business traffic *might* have a high double booking factor because it knows businessmen are notorious for not showing up for their pre-booked flights. Hotels in resorts usually allow 5 to 10 per cent. over-booking and get away with it. There are signs, however, that in some Spanish resorts this has risen to 20-30 per cent.

Mr. Chandler said last night: "The study group sent delegations to Madrid in December, 1968, and February, 1970, to meet officials of the Ministry of Information and Tourism to discuss several problems, including those with hotels. We also met officials from the same Ministry, at their request, in May this year. As a matter of courtesy we have regarded details of these meetings as private, but I can do so no longer in the face of repeated assertions by their *spokesman in London* that tour operators are solely to blame if their clients suffer from the misdemeanours of Spanish hoteliers.

'Assurances'

"Our members, who carry nearly 90 per cent. of the British overseas inclusive holidaymakers, are of course, responsible for their clients. But an *important part of the* precautions they take are repeated assurances by Spanish officials.

"It should be unnecessary to point out that our 21 member companies have built up their business by satisfying clients. Between them they carry nearly 3m. clients a year, including a very large number to Spain, and the very great majority enjoy first-class holidays at very resonable prices."

Some Spanish hoteliers argue that it is the British tour operators who sometimes do not live up to their promises. Certainly in the early part of the season a fair amount of "consolidation" takes place. Holidaymakers who booked to one resort or one hotel are asked to take another for the simple reason that the tour operator has not sold enough places to cover his costs. hotelier is then faced empty beds which he reserved for the Britis preference to other nati ties.

U.K. travellers account little more than 10 per of Spain's booming t traffic—around 3m. out of 27m. The main package petition comes from Ge and Scandinavia, with gr numbers from the U.S. large amount of indepe travel from neighb France. Normally a operator secures beds a a deposit or, if he has a *sequential* name or r against his word. It is in ingly common for operat own (or effectively own be they have guaranteed o tion for five years) thei hotels in the same way tha the years they have co own, or effectively own, ai

Inevitably the numbe complaints from traveller continue to seem *high* b only 1 per cent. means people. Although the operators insist that includes frivolous compla also excludes those who c bother to complain. coincidentally, I talked y *day to someone who for th* three days of his 14-day h had no hot water in his and no plugs for the ba sink, anyway. During second week the builders in to paint his room and work on the two storeys his. He has complained one, but has no intenti travelling with a tour op or to Spain, next year.

Labour News

TUC seeks increase in affiliation fees

BY ALEX HENDRY, LABOUR REPORTER

MEMBER UNIONS of the TUC will be asked to pay more in affiliation fees when the annual conference meets in September.

The finance and general purposes committee—the TUC's inner cabinet—agreed yesterday to recommend an increase of 2p, taking the annual fee to 10p for each member of an affiliated union.

This will increase the revenue by about £200,000 giving the TUC an annual income of around £1m. The increase, the first since 1967, will cover the £180,000 total deficit of the last two years and provide some extra to replace the funds that were used to cover the deficit.

The recommendation will go to the TUC general council to-morrow for approval before being sent on to the annual conference. If both accept the recommendation the increased fees will probably be paid from January 1.

The finance and general purposes committee also discussed a draft of the TUC's own "guide on good industrial relations practice." It decided to produce the guide after the Government's Code of Industrial Relations Practice had been published, and described by Mr. Vic Feather, general secretary, as a shabby and unsatisfactory document.

The TUC document is unlikely to be ready before the annual conference in September. It will be part of its continuing theme on reforming labour relations voluntarily.

Pay claim submitted for 250,000 hospital workers

BY ROY ROGERS, LABOUR STAFF

FOLLOWING the substantial pay claim lodged last week *on behalf of 770,000 local government* manual workers, a similar claim has been submitted on behalf of some 250,000 hospital ancillary workers.

The claim includes demands for a *cost* of living threshold agreement "to protect the increase against future inflation," equal increases for women, extra holidays, increased service increments and a 10 per cent. compensatory payment for workers not covered by incentive bonus schemes.

Lost ground

Mr. Alan Fisher, general secretary of the National Union of Public Employees, said last night that the claim was to recover lost ground for this section of workers since the £2.50-per-man pay award in December. It would also bring the earnings of the hospital workers nearer the national average.

Other unions involved in the claim, which covers many ancillary grades including kitchen staff, domestics, orderlies, and operating theatre attendants, are the Transport and General Workers' Union, the Confederation of Health Service Employees and the General and Municipal Workers' Union.

Ancillary workers' pay tends to follow that of the local government manual workers. Towards the end of last year both groups received 15 per cent. increases, about £2.50 a week, following the Scamp inquiry into the local government manual workers' pay strike.

In negotiations with the authorities yesterday, agreement was reached on steps to bring 140,000 women *ancillary* workers in the hospital service on to equal pay by 1975. Nurses already have equal pay.

More labour news Page 12

Opposition to Whessoe scheme may be dropped

BY MICHAEL BLANDEN

OPPOSITION by institutional investors to the terms of the executive share incentive scheme put *forward* by Whessoe is likely to be withdrawn following reassurances given by the company. In a letter to the investment protection committees of the British Insurance Association and the National Association of Pension Funds, Lord Erroll, Whessoe's chairman, has put forward safeguards to cover their concern over the scheme.

Whessoe has taken up a suggestion put forward by Business Intelligence Services, the specialists who advised on the scheme. The chairman promises that "no issue of shares will be made under the scheme unless the specific target associated with each issue and the minimum issue price of the shares have been approved by the Ordinary share*holders* at the *annual* general meeting."

The assurance answers the main concern expressed by the institutions, over the flexibility allowed to directors in determining the profits targets to be attached to future issues of shares under the incentive scheme.

It was felt that, while the initial target was reasonable, the terms of the scheme allowed some ambiguity over future issues. Following this reassurance, the NAPF investment protection committee is expected to change its vote and support the scheme at the extra-ordinary general meeting on Thursday.

The reassurance is also possibly of fundamental significance to the future structure of share-incentive schemes generally. This increasingly popular technique of rewarding executives is being carefully examined by the institutional shareholders, who are particularly concerned about the tricky issue of profits targets.

EEC prepares for talks on relations with EFTA 'Six'

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, July 26.

FOREIGN Ministers of the six Common Market countries to-day began preparing a joint position for negotiations with the six members of the European Free Trade Association that are seeking something less than full membership of the Community.

Agreement on various general aspects of the Community's approach to the non-candidates were quickly reached to-day. But many further details remain to be settled, and a full negotiating *mandate for the talks is* not expected to be completed until the autumn.

The Ministers confirmed to-day that the arrangements with the non-candidates should be based on the principle of industrial *free trade—although exceptions* of one kind or another might have to be made for a few sensitive products. French Foreign Minister Maurice Schumann mentioned wood, paper, watches and clocks, and *some coal and steel products in* this connection.

All the delegations agreed that completely free trade in agriculture between the enlarged Community and the non-candidates would have to be ruled out. *But they all thought that* some kind of special arrangements, perhaps on a product-by-product basis, might be organised for farm trade.

The question will now be further discussed by the Ministers' *permanent* representatives here, on the basis of a declaration of intent to seek ways of increasing agricultural trade proposed by the Commission. Although most of the other Ministers favoured this solution to-day, Italy and the Netherlands felt that it was not sufficiently specific.

If the non-candidates wanted to harmonise their policies in other sectors with those of the Ten, they would have to do so unilaterally, the Ministers *agreed. The Community* had no desire to enter into contractual arrangements with non-members.

All the Ministers agreed that the agreements with the six countries involved (Sweden, Switzerland, Austria, Finland, *Portugal and Iceland) should* not be of a definitive nature. France, Belgium and the Commission thought that there should be a "running-in" period of five years, after which the arrangements would be reviewed.

One point that is being insisted on by the Community is that the arrangements must not involve any interference with its own decision-making process. The Commission emphasised to-day that anything involving *permanent* consultations with non-member countries would lead to a "*slippery slope*" that must be avoided at all costs.

The Dutch delegation suggested that one aim of the arrangements should be to align the *common external* tariff of the enlarged community and the external tariffs of the non-members of those of whichever country had the lowest level. This would be intended as part of the general effort to improve the world trading climate.

But the idea was rejected by M. Schumann, who described it as "unrealistic." The Community should not make unilateral concessions without negotiating equivalent benefits in return, he stated.

Editorial comment Page 16

NEW PACT AT STATIONERY OFFICE

The Stationery Office and SOGAT Division "A" (the papermakers) have made a comprehensive house agreement incorporating a rationalised wages structure, a new procedure for the settlement of disputes, facilities for union representatives, improved consultative machinery and provision for the training of supervisors and union representatives in industrial relations.

This agreement, which is regarded by both sides as a major step forward in industrial relations, was formally signed yesterday by M. C. H. Baylis, Controller of HMSO, and Mr. Vincent Flynn, general secretary of SOGAT Division "A."

Peyton to be questioned on policy towards ports

BY RAY DAFTER

MR. JOHN PEYTON, Minister for Transport Industries, is to be asked to give some indication of the Conservative policy relating to the ports industry in the *Commons* to-morrow.

Sir Edward Brown (C., Bath) will ask if the Government has completed its study of the ports' problems and when the policy is expected to be announced.

The indication is that such a policy will be one of non-interference; this has already been illustrated by the Government's decision not to bail out the ailing Mersey Docks and Harbour Board and its tacit encouragement for the Port of London Authority in its rationalisation programme designed to prune loss-making undertakings, cut staff and to raise much needed capital from its considerable property assets.

Mr. Peyton has changed the composition of the National Ports Council, replacing former members who were connected with individual port undertakings with independent members headed by merchant banker Mr. Philip Chappell.

The Minister wants to see the ports management structure improved and a clear careers programme formulated. With most of Britain's major ports either making losses or very small profits he is also anxious that the industry's financial base is strengthened.

Both these problems have been placed in the hands of the NPC, which has emerged as a stronger advisory body than under the previous Government.

With the prospect of nationalisation disappearing with the Labour Government the ports—which claim they have faced indecision about their future for too long—have learned they must accept responsibility for their own affairs.

Saleroom

Watches realise £25,860

A WATCH sale at Sotheby's yesterday realised £25,860. Drager gave £1,150 for a repoussé gold pair-cased half quarter-repeating verge watch by Henton Brown of London c. 1730. A similar watch by William Webster c. 1740, went for £530, and a gold and enamel verge watch by Richard Clarke of London c. 1790 for £520, both to Hakim.

Sotheby's sale of objects of vertu and Russian icons realised £18,130. Two 17th century Moscow school icons went to Neufert one, of St. George, for £560, and the other, of Christ Pantocrator, for £540. Von Kassel paid £520 for a pair of large early 18th century icons of the evangelists Mark and Matthew and Ware £450 for a collection of 50 19th century Carnelian intaglios carved with the knights of Malta.

In Sotheby's book room the first session of a two-day sale of printed books realised £7,379. Nebenzahl paid £650 for a collection of 17th century pamphlets mainly on the doctrine of Transubstantiation, and Maggs £180 for a first edition of John Locke's *Some Thoughts Concerning Education* and other material relating to Locke.

A sale of pottery, porcelain and fairings totalled £14,299 at Christie's. A pair of large Sevres-pattern ormolu mounted vases sold for 920 gns., a pair of large German porcelain ormolu-mounted figures of a malabar and companion went for 360 gns., both lots to Singer.

The season's porcelain sales at Christie's realised £1,630,979.

At Phillips' £6,241 picture sale, Craddock and Barnard paid £850 for three etchings, two after Dürer and one after Rembrandt, and at their £8,869 furniture sale, Sheraton paid £220 for an Edwardian mahogany inlaid bureau bookcase.

Over 500 want to join Lloyd's

BY JAMES McDONALD, SHIPPING CORRESPONDENT

WITH THE improvement in profitability at Lloyd's—the London insurance market—applications for membership have increased considerably. It is understood that there have been over 500 applicants and that the *Committee of Lloyd's closed its* date for applications on July 16.

In the past two or three years the rate of applications for membership during non-profitable years has been running at about half or less of this total. Lloyd's welcomes the renewed flow of *applications—based on forecasts* of an upturn in profits—because of its need for increased capital due to the bigger single capital risks it must insure with the general introduction of 250,000-ton supertankers costing £15m. *apiece, £12m. "jumbo jets" and* Concordes.

At the end of June, Sir Henry Mance, Lloyd's chairman, told the general meeting of members that the corporation's "global accounts" for the 1968 account—*each account runs for three years —should show a return to* ability. It is also believe the 1969 account should profitable.

The global returns of I are expected to be publis the first week of Septemb

Lloyd's may, by the end year, have doubled to abo its female membership applications by women approved. A number of Am applications have been re from both sexes.

COMPANY NEWS + COMMENT

Land Securities exceeds forecasts

...H NET INCOME exceeding ...November estimate by some ... Land Securities Investment ... is raising its dividend from ...er cent. to 8¾ per cent. for ...year ended March 31, 1971. ...final is 5¾ per cent. against ...ecast of 4.6 per cent.

...luding a transfer of £2.05m. (...3m.) from capital reserve re... to development properties, ...income emerges at £6.85m., ...ared with the estimate of ... £5.6m. and with £4.78m. for ...70.

...out half the net income im...ement is attributable to a ...tion in the tax rate and also ... a review of the amount of ... taken for capital allow...s, having regard to detailed ... completed during the year ...to certain legislation changes ...osed. For the remainder, ... improvement has arisen ...rally in respect of lettings ...ted and other arrangements ...pleted during the latter part ...970-71, explain the directors.

	1970-71 £000	1969-70 £000
... rental income	33,294	31,958
...e before interest	26,582	25,954
...st payable	21,610	21,728
...e before tax	4,972	4,256
...ion	2,159	1,698
...ities	10	*143
... capital reserve†	2,051	2,075
... income	6,854	4,776
...ary dividends	6,239	4,650
...written back	399	97
...se in retained	1,014	223
...rties	681,929	498,261
...orary invest.	38,207	31,750
... invests.	9,385	9,873
... term borrowings	350,684	324,655
... term borrowings	13,763	27,615
... liabilities	22,184	32,155

...redit. * Relating to development ...rties. ‡ Paid on 142,601,705 shares ...im on 102,102,479 and final on 9,453 shares).

...of valuation made by Knight ...k and Rutley of the group's ...pleted properties as at March ... 1971 (that is, excluding ...erties held for or in course ...development which are in...ed in the draft accounts at ... which came out at ...783,000, giving a surplus of ...118,000. After taking this ...ation into account, the total ...p net assets at March 31, ...d at £334,739,000.

...eeting September 15.

● comment

...d Securities has shared fully ...e general revaluation of the ...perty sector—since May the ...es have come up from 168p ...ast night's new 1971 high of ...—and the latest results give ...grounds for alarm. Such is ... group's gearing that the 4 ... cent. rise in rental income ... enough to lift net earnings ...43 per cent. and leave the ...eased dividend covered 1.1 ...es. Assuming that the re...ed property assets include a ...ingent gains liability of about ... a share (against the fully ...ted net worth of 190p a share), ...his level the shares stand at ...2 per cent. premium on net ...ts. While such a premium is ...cent development for the sec... it is now by no means un...l and although the convertible ...ent in the group's gearing ... leave something to be de...d, the management's reputa... and the development plans ...port the forward-looking 2.4 ... cent. yield.

Anglo-Argentine Tramways

...roceeds of the premium aris... from Argentine Government ...ital bills paid on July 1, ...bles Anglo-Argentine Tram...s Company to make a distri...on equivalent to one per cent. ...the principal monies outstand... on the First Debenture Stock ... the date of the Scheme of ...angement approved on May 12 ...

...istribution will be made to ...t Debenture Stockholders on ...rd at the close of business on ...lay, July 30, and at the same ...e as the interest payment due ... September 1, 1971.

...ollar Premium distribution ... be treated as a payment cor...ondingly in respect of arrears ...nterest on the First Debenture ...ck and accordingly be made under deduction of U.K. income-tax at the standard rate of 38.75 per cent.

Normal interest payment due on September 1, will be calculated on the principal amount of £61 outstanding on the First Debenture Stock after March 1, 1971.

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Amber Industrial	18	8	Johnson/Barnes	19	1
Anderson Mavor	19	3	Land Secs. Inv.	18	1
Anglo Argentine Trams.	18	1	London Sumatra	19	7
Best & May	18	4	Lovell (G. F.)	18	4
Bids and Deals	20	1	Makin (J. & J.)	18	4
British Enkalon	18	6	Scotcros	19	6
Dowty Group	19	6	Shaw Carpets	19	2
Doxford & Sunderland	18	7	Swears & Wells	18	6
Drake & Cubitt	18	5	Tilling (Thos.)	18	3
Dubilier	18	3	Walker Crosweller	19	8
Gorst (Eldon R.)	19	1	Western Bank	19	7
Herbert (Alfred)	19	1	Westinghouse Brake	18	7
Inveresk Paper	19	8	Williams Furniture	18	2

Williams Furniture pays 5%

FROM A turnover up £1,011,756 to £7,587,220 group pre-tax profit of Williams Furniture decreased *from £301,239 to £251,795 in the* year to March 27, 1971. The dividend is the indicated same again 5 per cent.

Chairman, Mr. John James says he remains optimistic about prospects but he feels that, although turnover in the current year *shows an improvement, any in*crease in profit "will be hard to come by."

He points out that, while it may be felt that the past year's profit is disappointing in view of the increase in turnover, the policy of converting stores into the new image costs upwards of £10,000 per store.

Also depreciation charges and other costs must bring the profits down for the present.

By the end of March, 1972, 57 stores will have been altered and *the cost of conversion will affect* the current year profit, but the directors remain confident that the capital invested, and the *change-over is complete,* will begin to show its benefits in profits in future years.

The total percentage of unrealised gross profit and service charges carried forward remains at approximately 42 per cent.—a provision of £1,219,958 against a debt of £2,877,806.

The company is continuing to accept a restricted amount of business on voucher trading. The outstanding balance was £556,164 at the end of the financial year against £2,321,642 on hire purchase.

During 1970 and 1971 new stores were opened in seven centres and two will be opened *later this year.*

It is intended to concentrate on the remainder of the stores that are to be converted, and on com*pletion to have a period of con*solidation as against the rapid expansion in recent years.

	1970-71 £	1969-70 £
Trading profit	356,101	339,345
Investments income	34,202	53,859
* To suspense	60,407	† 28,097
Bank interest	78,101	119,792
Profit before tax	251,795	301,239
Taxation	‡ 43,274	123,818
Net profit	208,521	177,421
Exceptional charges	—	14,035
Preference div.	15,250	15,250
Ordinary	105,715	105,715
Amount written back	—	48,862
Off goodwill	—	50,000
Forward	170,844	86,288

* Unrealised gross profit held in suspense. † Transfer from. ‡ After £44,543 overprovision.

The results were affected by a transfer out of trading profit of £60,407 to unrealised gross profit held in suspense whereas in the *previous year £28,097 was added* to the trading profit.

Meeting, 111-117, King Street, Hammersmith, W., September 21 at 11 a.m.

● comment

On the face of it Williams Furni*ture's 16 per cent. fall in 1970-71* pre-tax profits looks disappointing in the context of the higher profits recently reported by some *other furniture companies.* But profits (before the transfer to unrealised profits reserve) are, in fact, 14 per cent. up in line with the rise in turnover. The increased transfer to reserve on these credit transactions will, of course, boost profits in the future. Meantime, Williams will have to face increased depreciation and other costs resulting from the continuing store conversion programme though once this change is completed profits should benefit. So given the upward trend of national furniture sales a p/e of 13 at 9½p looks firmly based.

Dubilier maintains dividend

DIRECTORS of Dubilier are recommending an unchanged dividend of 5 per cent. for the year to April 2, 1971.

From sales of £3,435,386 (£3,115,816), pre-tax profits amounted to £74,594 against *£76,825 previously.*

Net profit was £49,594 (£42,616) after tax, £25,000 (£34,209). In 1969-70 there was income tax *recoverable,* £4,541.

Meeting of the group—formerly the Dubilier Condenser Company (1925)—is on September 30.

● comment

Dubilier came badly unstuck in *1969-70 with sales growth slowing* to 5 per cent. and profits down 47 per cent. So the 1970-71 performance—a 2½ per cent. decline pretax after 40 per cent. profits growth mid-way through 1970-71—adds up to a double disappointment. And all the more so given Dubilier's assurances of further growth during the second half. Once again the sales pattern has been uninspiring with a rise of 14 per cent. after six months trailing to 7 per cent. in the second half. But the big problem over second half margins remains unexplained, at least ahead of the accounts; and that leaves a p/e of 35 (40 fully taxed) patently vulnerable at 11p, just 1½p below an end 1969-1970 net worth.

THOS. TILLING-ROWE BROTHERS

The extraordinary resolution approving the scheme for the cancellation of the £371,800 6¾ *per cent.* Debenture stock 1981-85 of Rowe Brothers and Co. (Holdings) in exchange for the issue of £390,390 8½ per cent. Unsecured Loan stock 1989-94 of Thomas Tilling was passed yesterday. The Council of the Stock Exchange, London, has granted permission to deal in and for quotation for the new Thomas Tilling stock and the scheme is therefore effective and binding.

A final payment of interest on the Rowe Debenture stock will be made on August 9, 1971 and will amount to 46.3p (less income tax) per £100 nominal of stock.

The first payment of interest on the new Thomas Tilling stock will be made on November 6, 1971 in respect of the period *from July 26, 1971.*

It is intended that definitive certificates in respect of the new Thomas Tilling stock should be despatched on August 23, 1971.

Extra 5% from Best & May

THE proposed increase in the final *dividend by suppliers and distribu*tors of electrical equipment and plant, Best and May is from 20 per cent. to 22½ per cent., stepping up the total from 35 per cent. to 40 per cent. for the year to April 30, 1971.

Following the rise at half way from £50,072 to £57,652, the year's group profit, before tax, is higher at £122,035 compared with £109,730.

After tax of £50,000 (£51,000) the net profit is £72,035 against £58,730.

● comment

Once again Best and May has run into a second half slowdown, though the end result manages to conform neatly enough with its record of steady growth. Against a mid-term rise of 16 per cent. profits are 11 per cent. up pre-tax for the year, improving earnings to 7.2p a share for an 8.8 p/e at 64½p. B and M is big in switch and fuse, and motor control gear (say 40 per cent. and 30 per cent. of total sales). The former had a lean time during the May-June strikes at English Electric while in motor control the machine tool industry is the dominant customer. Thus the 1970-71 performance is creditable and the chances are that something of the same should be forthcoming this year. For one thing, there is a full 12-months *from a South Eastern Electricity* Board distributorship based at the new Bromley depot. Secondly, B and M reckons that something *of an upturn is starting to per*vade through what has, for some time, been a generally depressed ordering trend. That is more than enough for a 6.4 per cent. yield to look attractive.

J & J Makin setback—7% held

A FALL in group profit, before tax, from £224,638 to £135,815 is reported by J. and J. Makin Paper Mills for the year to March 31, 1971.

The total dividend is held at 7 per cent. with a maintained final of 5 per cent.

At the half-way stage when the *pre-tax figure fell from £115,822* to £44,931, directors said that they did not anticipate any significant change in profits for the second *half of the year.*

After tax of £28,759 (£70,073) the year's net profit is £107,056 compared with £154,565.

The profit includes dividends of £24,999 (same) from an associated company.

Directors state that although there has been some improvement in profit in the second half of the year the paper-making section has been seriously affected by the severe recession in the paper trade. There now seems a slight improvement, but the Board does not anticipate that profits for current half-year will be materially different from those of the last half-year.

TURNROUND FOR G. F. LOVELL

Against a net loss of £94,937, manufacturers of "Toffee Rex" and general confectionery G. F. Lovell and Co. reports a net profit of £13,227 for 1970.

Again there is no dividend.

The *profit is after depreciation* £30,327 (£28,595), interest £15,511 (£9,514) and vehicle hire £12,409 (£16,091), etc. There is again no tax charge. Credit surplus on realisation of properties amounts to £5,279 (£12,250).

Mr. G. C. D'Arcy Biss, the chairman of U.K. Optical and Industrial Holdings, addressing shareholders at yesterday's annual meeting of the company in London.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corre-sponding div. %	Total for year %	Total last year %
Anderson Mavor	7	—	5	7	(c)5
Best and May	22½	—	20	40	35
Dowty	5¼	Sept. 17	5¼	10½	10½
Dubilier	5	—	5	5	5
Eastern Produce	7	Sept. 17	11	15	13½
Eastern Produce ...int.	7½	Dec. 6	8	(d)—	15
Geduld Invest.	†7cts	Sept. 17	7cts	—	19½cts
Johnson and Barnes	10	—	10	10	10
Kakuzi ...2nd int.	(e)10cts	Sept. 7	—	(f)—	25cts
Land Securities	5¾	Sept 16	5	8¾	7½
Leda Trust ...int.	4	Aug. 31	4	—	10½
London Sumatra Pltns.	14	Sept. 18	14	14	14
J. and J. Makin	5	—	5	7	7
U.C. Investments ...int.	4	Sept. 17	4	—	12
Westinghouse Brake...int.	5	Sept. 30	—	—	10
West of England Trust	14	—	14	18	18
Williams Furniture	5	—	5	5	5

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) For 13 months. (d) Total of 17½ per cent. forecast. (e) Kenya cents. (f) Making 25 cents to date.

Drake & Cubitt looks to substantial increase

MUCH HAS been done at Drake and Cubitt Holdings in the past year to strengthen the trading position while eliminating unprofitable activities, and chairman Mr. H. Owen Jones expects current year profits to show a substantial increase on 1969-70.

In that year profits, before tax, showed a reduction of £244,000 to *£1.3m.; as reported July 31 the* dividend is effectively raised by 1.46 per cent. to 16 per cent.

The chairman points out that the year was *originally planned* to be one of reorganisation with only a moderate profit growth. The result must be viewed against the background of rising costs and lack of confidence in the industrial capital projects market which made profits difficult to earn. Also the prolonged dispute at Ottery St. Mary is estimated to have reduced earnings by some £250,000.

In its second year as a member of the group Holland, Hannen and Cubitts continued to expand its turnover, and profits—£848,608 *(£913,186)—were very satisfactory,* says the chairman.

He reports the satisfactory conclusion of negotiations with the *GLC over the third stage of the* Thamesmead project, the effect of which will be to raise the total value of the work to over £40m. and extend group activities on the site until 1975.

The total value of the project is expected to exceed £250m. by the late 1980's.

Orders received by H H and C in the first quarter of 1971-72 were valued at some £30m. and give justifiable confidence in that group's prospects.

In the U.K. operation of Drake *and Scull Engineering the profit* plan has been maintained despite the erosion of margins. The profit, before tax, of this group *improved from £420,398* to £550,933.

In the first quarter of the current year D and SE has secured or *£14m., which sets the company* well on the way to exceeding its annual budget and "thus augurs well for the future," declares Mr. Owen Jones.

At Ottermill (which showed a loss of £88,227 against £217,403 profit) the order book is substantially higher and the chairman expects this division will have a much improved performance this year.

At Sturtevant Engineering there was a loss of £73,071 (£114,735 deficit). The chairman says that although prospects here are better than for some time past, general lack of buoyancy in the industrial capital field must tend to hold the profit level down.

For Stotesbury Tubes and Fittings—loss £865 (£29,027 profit), *an improved future performance* is looked to. Profit of the holding company totalled £65,034 (£81,530).

Meeting Brown's Hotel, Dover Street, W., August 18 at 3.00 p.m.

● comment

The basis of real recovery for Drake and Cubitt is to be seen in the fuller order books and the reorganisation of some divisions. The building and electrical engineering divisions, sole contributors of 1970-71 profits, appear likely to romp home again with the prize, having secured £30m. and £14m. worth of orders respectively in the first quarter of 1971-72. Strikes, which accounted for some £0.25m. of last year's profits fall, also seem unlikely to occur again. In view of this and of the expectation of a substantial pre-tax profits increase for 1971-72, a p/e of 10.9 at 58p last night is looking distinctly conservative.

BRITISH ENKALON

At an extraordinary meeting of British Enkalon yesterday, chairman Colonel F. T. Davies confirmed that profits for 1971 were not likely to be less than for 1970, and that it was intended to at least maintain the 12 per cent. dividend on increased capital.

The resolution increasing the capital from £6.3m. to £8.5m. was carried. British Enkalon is controlled by AKZO, of Holland.

SWEARS & WELLS

It is announced by United Drapery Stores, that proposals will be put to holders of the outstand*ing £245,017 3¾ per cent. First* Mortgage Debenture Stock and £219,000 6½ per cent. Second Mortgage Debenture Stock of *Swears and Wells for redemption* at £98½ and £93 per cent. respectively, plus in each case accrued interest down to redemption date.

Westinghouse profit expansion

FIRST HALF group pre-tax profit of Westinghouse Brake and *Signal* Company expanded from £992,000 to £1,341,000, and the directors look for an improvement on that figure for the second half.

This will give a profit for the year to September 30, 1971, in excess of the £2,232,385 achieved for the previous year (53 weeks).

The directors are resuming payment of interim dividend with a *declaration of 5 per cent.*—half of the 1969-70 total.

	Half-year 1971 £000	1970 £000
Profit before tax	1,341	992
Taxation	542	379
Net profit	799	613
Attributable	751	578

See Lex

Doxford & Sunderland denials

Shares in Doxford and Sunderland, the shipbuilding group, fell 17p to 33p early yesterday before chairman Mr. J. G. Hugall issued a statement strongly attacking what he called "inaccurate and misleading speculation" about the company's financial position.

The statement helped steady the share price which ended the day down 7p at 43p.

"According to the reports," said Mr. Hugall "the company has reached 'crisis point,' and was unable to pay its way or forecast its position beyond the end of August." Denying this, he added "Doxford's accounts are published in August each year. The preliminary statement will be issued very shortly on a date which will be announced to the Stock Exchange. No comment will be made by the company in advance of publication of the preliminary statement and accounts *to share*holders, who are entitled to full information in the first instance.

"The company had no knowledge that various MPs had expressed views on it," Mr. Hugall went on "nor had Doxford had any inquiries from MPs. The claim that the company *is unable* to forecast its position beyond the end of August is a totally irresponsible and inaccurate statement without any foundation whatsoever."

Like all shipbuilding companies in Britain, Doxford keeps in *regular touch with the Govern*ment department which has responsibility for the shipbuilding industry. Mr. Hugall denied having *special meetings with* Mr. John Davies because Doxford's affairs were at "crisis point." He had in fact never met Mr. Davies.

With regard to the suggestion that Doxford was looking to Austin and Pickersgill to mount a rescue operation, Mr. Hugall said that he could only confirm what Mr. Charles Longbottom, chairman of Austin and Pickersgill, had said, namely that no discussions were going on and that no offer had been made.

Referring to current attempts by Doxford management to find a formula for a return-to-work by the 300 engineers at the company's marine engine works, Mr. Hugall said "our feeling is that protracted industrial stoppages benefit nobody in the end. Under present day conditions the ship*building and marine engineering* industry just cannot afford the luxury of this kind of industrial action in support of wage claims."

Amber Ind. liquidity problems

At the annual meeting of Amber Industrial Holdings, chairman Mr. J. A. Thomson said that although the position had improved with the retention of profits over the past three years, "we are still short of liquid resources and we shall have to examine the situation carefully to determine what, if anything, should be done to improve it."

The overall value of the freehold property was probably not very different from the balance-sheet figures in spite of what Mr. Thomson believed was the overvaluation in the past of the cold stores.

PEGLER HATTERSLEY

At the annual meeting of Pegler-Hattersley Mr. J. M. Harrison, chairman, confirmed that the first three *months of the cur*rent year were continuing to maintain increased profit.

ISSUE NEWS

Yorkshire Dyeware

The Yorkshire Dyeware and Chemical Company announces proposals to modify the rights of the Preference shares and to amend the borrowing powers.

At present no debentures can be created without the consent of the Preference holders. The Board is finding these restrictions are hampering the company's ex*pansion programme* and the directors are, in fact, contemplating raising additional long-term capital by means of a debenture *issue, to fund existing* bank indebtedness and to finance the expansion programme.

Accordingly, the company pro*poses to alter the articles of asso*ciation so that although the Preference holders will not be concerned with the creation or the issue of any debentures or other charges within the prescribed borrowing limit, they will be able to have a say in what the borrowing limit is to be.

As compensation for the removal of the veto on the creation of charges, an increase in the dividend rate on the Preference shares from 4½ to 5 per cent. per annum is proposed.

Meetings have been called for August 19 to consider these proposals.

SLATER WALKER OF CANADA

The capital reorganisation and change of name from Stanley Brock to Slater Walker of Canada, as previously announced, has been approved. As a result, the Common shares have been divided on a three-for-one basis. The directors have also authorised the offer to holders the right to subscribe for two new Common shares at $5 each for every subdivided share registered on August 5.

GENERAL MEDICAL

The 550,000 shares of Common stock (par value $1 per share) of *the General Medical Corporation* have now been sold. The issue was underwritten by a group headed by Merrill Lynch Pierce Fenner and Smith and Wheat and Co.

See Page 9

OFFICIAL QUOTATIONS

Permission to deal in and quotation for the undermentioned securities has been granted:—

Bristol Street Group—55,000 Ordinary shares of 20p each; fully paid.

Trafalgar House Investments—£3,393,000 9½pc Unsecured Loan stock 2000/05, fully paid.

CANCELLATION OF QUOTATION

Permission to deal in and quotation for the undermentioned securities has been cancelled from 12.00 noon.

Ripplngilles—Ordinary shares of 25p each, fully paid; 6pc Cumulative Preference shares of 50p each, fully paid.

The receiver has stated that in his opinion the shares of the Company have no value and that the transfer books have finally closed.

TEMPORARY SUSPENSION OF QUOTATION

Permission to deal in and quotation for the undermentioned security has been *temporarily suspended from 9.30 a.m.* at the request of the Company pending publication of particulars of the reorganisation of the Company.

Dundee, Perth and London Shipping Co.—stock.

UNIT TRUSTS

M & G MAGNUM

M and G announces that the interim distribution on Income units of the M and G Magnum Fund for the accounting period ending in January, 1972, will be 1.2p (1.167p) net per unit, payable on September 20, 1971.

Since inception, the offered price of the Income units has risen by 57.1 per cent.

HILL SAMUEL INTERNATIONAL

The managers of Hill Samuel International Trust announce a distribution for the six months to July 12 of 0.637p net, compared with 0.62p net for the same period the previous year.

PEEK WINCH & TOD LIMITED

Statement by the Chairman, Mr. A. S. C. Hobrow, M.C., at the A.G.M. held at Newhaven, Sussex, on 23rd July 1971

In my Review, accompanying the Annual Report and Accounts for 1970, I indicated the increased profits obtained were mainly achieved during the last 29 weeks of that year, and that the current year's trading had got off on a firm footing.

I am pleased to be able to report that the recovery in your Company's earnings has continued, and that it is expected that profits for the first 24 weeks of 1971, should be a little in *excess of £50,000 before tax.*

Trading to date has been encouraging. Sales for the first quarter of the year got off to a sluggish start but from April onwards there has been a steady improvement each trading period. The last 28 weeks of the year are traditionally the best, and this favourable upward trend in sales volume should continue.

There has been a moderate increase, compared with 1970, in total Company expenses, mainly due to a full period's operation of the Computer Department. It is expected that the second "half" of the current year will follow a similar pattern.

The 50% reduction in S.E.T. is extremely welcome and has enabled your Company to reduce its service charges to its customers.

As Members are well aware, profits over the last few years have been extremely meagre due to the heavy costs of reorganisation, together with the imposition of tax burdens which were quite unexpected and unprecedented. These lean times are now firmly behind the Company and I now expect that profits will continue steadily to improve.

Given the continuance of the favourable trends I have outlined, your Company should produce record profits for 1971 of around £100,000 before tax.

هكذا من الأصل

A. Herbert's first-half loss £828,000

MACHINE TOOL makers and distributors, Alfred Herbert, incurred a loss of £828,000 for the half-year to April 30, 1971, against a profit of £811,000.

As before, there is no interim dividend. No payment was made for the year to October 31, 1970, when the pre-tax profit was £1,257,131, compared with 2 per cent. for the previous year.

The directors state that market conditions are weak and have not had time to respond to the recent reflationary measures. They emphasised that further reductions in capacity may be necessary unless the recent measures work through quickly.

The group's liquidity continues to improve, they add.

Orders in half year of Alfred Herbert amounted to £19.38m. (£24.1m.) and of Herbert-Ingersoll £0.72m. (£0.9m.).

The half-year's figures excludes those of Herbert-Ingersoll which shows a loss of £257,000 (£610,000), after interest £154,000 (£116,000). *Herbert's 44.3 per cent. share of* this loss is £114,000. (For the year to October 31, 1970, Herbert-Ingersoll's loss was £932,840, of which Herbert's share was £444,447.)

	Half year 1971 £'000	1970 £'000
Sales	20,864	23,557
Trading profit etc. income	282	1,438
* Non-recurring expenses...	452	—
Loss	170	†1,436
Interest charges	627	582
Minority interest	31	35
Loss	828	†811

* Redundancies and closures. † Profit.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division *shown below is based mainly on last* year's time-table.

TO-DAY

Interims:—Artagen Properties, Atlas Stone, Bath and Portland, Berisfords, Berry Wiggins, Broadstone Inv. Trust, City Offices, Dalton Barton Securities, International Time Recording, National Westminster Bank, Premier Investment, Pride and Clarke, Ruo Estates, Union Commercial Investment, Vereeniging Refractories.

Finals:—British Match, Lynton Holdings, RFD Group, F. S. Ratcliffe, Westdock Group.

FUTURE DATES

Interims:—	
Anglia Television	Jul. 28
First Scottish American Trust	Aug. 3
Mather and Platt	*Aug. 26
Sharpe and Fisher	Aug. 19
Finals:—	
Greenwood and Batley	Jul. 30
HAT Group	Jul. 30
Lunt Comley and Pitt	Aug. 3
MTE Contactor	Jul. 29
Newall Machine Tool	Jul. 30
Power Tools Specialists	Aug. 2
RCF Holdings	Jul. 26
Sunley (Bernard)	Jul. 29
Witbank Colliery	Aug. 9

* Amended.

First-half results include a trading profit of £31,000 from land sales. To improve liquidity the company has since the half-year end, effected further selective sales of land bringing the total for the year to £255,000. This has produced profits in excess of £114,000 and involved some 16 per cent. of total land holdings.

An unchanged interim dividend of 12½ per cent. has already been paid. For 1969-70, the total was 37½ per cent. paid from profits of £95,240.

Johnson & Barnes loss

A loss of £106,973 against a profit of £27,114 before tax was incurred by hosiery manufacturers Johnson and Barnes on the year ended February 19, 1971. There is no tax charge (£9,500).

The directors report the implementation of a thorough re-*organisation* as a result of which the group should return to profitability.

Current order books are satisfactory they say and maintenance of the 10 per cent. dividend is recommended.

A sum of £80,000 has been transferred from general reserve to pay the Ordinary dividend and *the half-yearly Preference* dividend leaving £67,740 (£106,538) to cover further losses and reorganisation costs incurred since the year-end.

ELDON GORST LOOKING FOR 50% PROFIT RISE

Mr. E. R. Gorst, chairman of Eldon R. Gorst and Son, says that the second half of the current year will benefit from a marked increase in the company's building activities and sales to the extent that, excluding land sale profits, "we are looking for a 50 per cent. increase on *last year's* results."

In the first six months ended March 31, 1971, profit, before tax, improved from £54,142 to £74,187.

Shaw Carpet to progress

Mr. H. W. Hartley, chairman of the Shaw Carpet Company, tells shareholders that cost inflation poses a major problem but, provided that efforts to contain its effects are successful, he considers that further progress will be made in the current year.

To ensure continued growth and progress, the directors have approved a new £540,000 capital expenditure programme, which includes a 50,000 square-feet extension and additional plant.

As reported on June 25, group pre-tax profits for the year to April 30, 1971, increased from £208,647 to £637,075. The dividend is raised 20 per cent. to 30 per cent. and a one-for-one scrip issue is proposed.

Record sales of over £10m. were achieved, of which nearly £1.3m. was in overseas markets.

This sales attainment, says the chairman, was the outcome of improved marketing, combined *with the strengthening of efficient* production and physical distribution. Further improvement of the group's marketing approach is planned.

It is proposed to change the group's name to Shaw Carpets.

Meeting, Wakefield, August 18 at 2.30 p.m.

Chairman's statement Page 18

Anderson Mavor pays 7%

ENGINEERING and mining machinery group, Anderson Mavor, is recommending a dividend of 7 per cent. for the year to March 31, 1971. For the previous 13 months period, a 5 per cent, payment was made.

Profit, before tax, was £722,000 (£889,000 for 13 months) which after the deduction of taxation of £308,000 and the addition of adjustments in respect of previous years £112,000 left £526,000 against £398,000 available for distribution.

Pre-tax profits in the first 26 weeks had dropped from £406,000 (for 28 weeks) to £208,000 and directors said then that although the second half would be affected by higher costs and non-recurring expenditure on reorganisation, some improvement could be expected.

The Board now says that with one exception all divisions improved their profitability during the year.

The exception continues to be Mavor and Coulson, which produced a loss for the year of *£860,000 before tax and also* required a net provision in respect of previous years amounting to £148,000—made up as to losses on contracts completed in previous years, £58,000, anticipated profit at March 31, 1970, not now realised, on long-term contracts, £59,000; stock overvaluation by a subsidiary, £141,000, less tax relief, *£110,000.*

	Year 1970-71 £000	13 months 1969-70 £000
Turnover	17,569	17,425
Profit before tax	722	889
Taxation	308	459
Net profit	414	430
*Prev. years adjustmts.	112	†32
Available	526	398
Dividend	415	296
To reserve	111	102

* Comprises overprovisions £260,000 less Mavor and Coulson provisions £148,000. † Debit.

The overprovisions of £260,000 include £230,000 increase in stock valuation as at March 31, 1970, arising from standardisation within the group plus tax overprovision for previous years, £30,000.

See Lex

PEEK WINCH

At the recent annual meeting of Peek Winch and Tod, wholesale and retail grocers, Mr. A. S. C. Hobrow, chairman, said given the continuance of the favourable trends outlined, the company should produce record profits for 1971 of around £100,000.

Meeting Page 18

MINING NEWS

NBH profits hit by lead setback

BY KENNETH MARSTON

AS EXPECTED, operating receipts of North Broken Hill for the year to June 30 have been hit by the fall in lead prices coupled with lower production of lead, zinc and silver. Metal sales, less expenditure, have fallen to only $7.48m. (£3.48m.) compared with $12.6m. in 1969-70.

The total of crude ore treated by the Australian producer fell to 489,868 tons from 518,411 tons in the previous year while sales of lead amounted to 55,350 tons (63,162 tons), silver 3.2m. ounces (3.59m. ounces) and zinc concentrates 88,820 tons (84,604 tons). Metal prices realised were: lead $230.72 per ton ($268.10), silver 150.12 cents per ounce (157.65 cents) and zinc $278.58 per ton ($274.55).

Two *points* need to be borne in mind when reading these figures. The first is that they are reached before tax and royalties, a contraction in which can be expected to cushion the fall in net profits. Second, they ignore the company's important investment revenue which the chairman said last October could soon provide over half the company's net income.

Investments

Just how investment revenue has fared during the past year is not yet known. But the major holdings include Western Mining—possibly 4.7m. shares now—which is on the rising dividend *trail and 3m. shares in Alcoa of* Australia, which paid a maiden dividend of 10 cents last year and followed it up with a second declaration of 16 cents in May of this year.

Meanwhile, North Broken Hill has various exploration interests, intriguing among them being the 28.57 per cent. participation in an *international consortium which in* April reported encouraging nickel values in the Ravensthorpe area of Western Australia. Although the company's full 1970-71 results are unlikely to make much of a showing, the shares at 75p compared with a high of 101p earlier this year could be worth picking up on medium- to longer-term *recovery prospects.*

NEW RECRUIT TO BDR LIST

Yesterday the advantages of using the bearer deposit receipt system for shareholdings in Australian Mining issues were once again being pointed out in Mining Notebook. The list of companies for which such facilities are available has now been added to by Pacific Copper Explorations the Canadian controlled Australian company which is on its way to bringing to production the Cadia copper and gold prospect at Orange in New South Wales.

The Canadian parent is Pacific Copper Mines the shares of which are now quoted in Toronto as well as in Calgary. Yesterday PCE rallied 3p to 100p. The last technical details about the Cadia prospect appeared here on May 28.

Minsec's shadows

WITH THE Australian mining share market still in the doldrums, somewhat inexplicably so in many respects, a Melbourne view of the situation comes at a particularly interesting moment.

It puts forward the theory that an important factor inhibiting local enterprise despite a scattering of good news items is the proximity of the date for final tenders for the Mineral Securities *portfolio.*

On July 30 tenders close for major interests in the Robe River iron ore venture, the Aberfoyle group and the beach sand mineral producers Cudgen and Consolidated Rutile. A total of 156 local and overseas groups have registered with the liquidator.

Melbourne brokers John N. Robertson Thompson thus consider that many organisations including Australian life companies and industrial concerns such as Broken Hill Proprietary and Colonial Sugar Refining may have their cash flow and lines of credit set aside for this important tender.

Assuming a satisfactory conclu*sion to the Minsec affair the* brokers reckon that there could be a wider interest in the market during August and that mining issues could thus be showing some signs of being in the concluding stages of the 18-month bear phase. Confidence, however, is still lacking. So it could take some time before a bull movement gets under way. Any buying inspired by such thoughts should thus be at the quality end of the market it is concluded.

KLOOF EARNINGS ESTIMATE

The chairman of Kloof, Mr. Adriaan Louw, said in Johannesburg yesterday that he expected this Gold Fields group gold mine to make a reduced monthly net profit of R250,000 for every full month that the underground fire keeps burning.

The first broke out on June 20. Last year the net taxed profit a month was approximately R870,000. Ore crushing is running at a 112,000-tons-a-month rate. Plant capacity is 163,000 tons. The earnings estimate does not include premium gold sales revenue. Following Mr. Louw's statement Kloof fell 7p to 256p.

MINING BRIEFS

WITWATERSRAND NIGEL—Quarter ended June 30. Tons milled (metric) 52,200. Yield (in kg fine) 369.6229. Net loss for quarter R73,021. Premium obtained on sales of gold on the free market R31,239. Government assistance R50,000. Capital expenditure — nil.

Dowty on target with £5m.: rights issue planned

TURNING IN profits in line with forecast for the year ended March 31, 1971, the Dowty Group announces plans to increase the permanent capital by some form of equity financing, possibly a rights issue of convertible loan stock.

From turnover of £52.32m. against £43.55m., profit before tax emerges at £5.03m., compared with the February forecast of £5.05m., and with £4.62m. for 1969-70.

The dividend is unchanged at 10½ per cent., the final being 5½ per cent. as before.

In view of the continuing uncertainty as to the funds available for distribution to the unsecured creditors of Rolls-Royce the directors say it has been considered prudent to provide out of retained profits 90 per cent.—£1,162,796—(subject to tax relief of £463,169) of the indebtedness at the date of appointment of the receiver.

Exports rose by one-third—from £9.98m. to £12.86m—during the year and accounted for 25 per cent. of sales.

With full order books prospects are good for further growth in sales and profits, reports chairman Sir George Dowty.

	1970-71 £	1969-70 £
External turnover	52,519,506	43,552,670
Profit*	5,482,562	4,823,146
Net interest payable	449,537	200,921
Profit before tax	5,033,025	4,622,225
U.K. tax	1,886,561	1,908,999
Overseas tax	55,038	68,604
Net profit	3,091,426	2,644,622
Exceptional items	†800,064	43,650
Leaving	2,291,362	2,585,972
Dividends	1,942,500	1,942,500
Prior years' adjusts.‡	281,151	494,891
Forward	8,432,896	7,802,883

* Struck after charging depreciation £1,100,651 (£1,056,085), loss on disposal of fixed assets £8,225 (credit surplus £81,409): and crediting capital expenditure grants—proportion relating to the year £230,884 (£371,183). † Comprising provision against Rolls-Royce debts £1,162,796, less tax relief £463,169; and £100,437 written off goodwill. ‡ Comprising tax credit £377,637—including retrospective adjustment of tax rate—(£97,398 debit): tooling and test rigs credit nil (£598,161) and depreciation, expenses, etc., £96,486 (£20,970).

During the year bank borrowing increased by a further £2.5m. to provide additional working capital. The directors consider that the group's capital should be brought more into line with the net assets employed in the business. A resolution will be proposed at the annual meeting—Cheltenham, September 16—increasing the authorised capital by £3m.

See Lex

Mixed start for Scotcros

A mixed start to current year for Scotcros, the food and engineering group, was reported yesterday by the chairman, Mr. W. I. French, at the annual general meeting in Glasgow.

Although food had made a "promising start" and might be expected to continue steady growth, engineering suffered from the general depression in the industry.

Results for the half-year to September 24, could be lower although, if the business climate improved, the outcome for the full year was not unpromising.

The chairman reported a continuingly improving liquidity situation—even after £360,000 of new capital expenditure. Progress had been helped by the realisation of £293,000 from the sale of Andrew Clement and Sons which would enable the company to accelerate further the organic growth of the group.

14% again by London Sumatra

FROM LOWER profits the directors of London Sumatra Plantations are fulfilling their expectation of maintaining the *dividend at 14 per cent. for 1970.*

Profit, before tax, was £332,741, against £367,772, as shown below.

	1970 £	1969 £
Indonesian produce*	181,454	202,773
Malaysian estate	47,351	82,273
Investment income, etc.	103,936	82,726
Profit before tax	332,741	367,772
Taxation	97,157	134,637
Tax credits	10,616	75,619
Net balance	246,200	308,758
Rubber areas cut out	21,281	12,837
Dividend	220,953	221,547
Reserve	—	75,000
Forward	78,962	74,916

* Net U.K. income.

Meeting, September 16.

Western Bank profits rise

Net profits of Western Bank, after tax and transfers to contingency reserves increased from R1.2m. to R1.6m. in the year to June 30, 1971—equivalent to 43.8 cents per share (35.1 cents).

Chairman Mr. M. D. Moross says the *improved performance* was achieved during a difficult period. He predicts a further increase in profits in the current year.

Dividends totalling 22 cents per share were paid during the year (18 cents).

Total assets rose 23 per cent. to R144m.

With the acquisition by the *bank of the outstanding share* capital of Western Issuing House it now also owns 80 per cent. of the capital of Western Mortgage Participation Company (Pty.). This company now has more than R9m. under administration.

Schlesinger Insurance and Institutional Holdings has a large minority holding in Western Bank. Meeting, Johannesburg, September 10.

Statement Page 13

RAGLAN MEETING ON SEPT. 3

The extra-ordinary meeting of Raglan Property Trust requisitioned by Alliance Property Holdings, which claims to control over 50 per cent. of the Raglan equity, is to be held on September 3. resolutions to be submitted clude those for the removal of current Raglan chairman, Mr. Rowland Jones, together with other directors, and the appointment of the Alliance chairr Major George Webb and two o directors.

Other resolutions are that director appointed after July the date of the meeting be moved from office, and that f the same date no further sh or stock in the company sh be issued or allotted without p sanction of shareholders general meeting.

Inveresk Paper loss at midway

A PRE-TAX loss of £342,00 reported by the Inveresk P Company for the 24 week June 12, 1971 against a £55 profit in the previous corresp ing period. Last year, pre profits were £86,161.

The pre-tax loss comprises *share of a taxable loss of Br* Tissues, £115,000 (£114,000 pr less profit on sale of share Georgia Pacific Corpora £308,000 (nil) and deb £166,000 (nil) share of ag settlement of claim against Louisiana Forest Products poration and relevant expen

Trading loss was £36 (£439,000 profit) after int and dividend income, £2 (£68,000) and charging depr tion £207,000 (£270,000); stock interest, £30,000 (£31 and bank interest, £5 (£36,000).

Sales were lower at £9,89 (£11,662,000).

Statement Page 21

See Lex

Walker Crosweller starts well

At the annual meeting Walker Crosweller yesterda Cheltenham, chairman Mr. F Walker said "the year started well, sales continue record levels and were sub tially up on the same period year.

The gain was principally home markets which distinctly more buoyant th year ago. Costs were at a hi level but margins had been n tained.

Speaking on the effects of e in the Common Market on company's prospects, Mr. W said given equal terms economic stability he was fident that the company c look forward to a wide pros of prosperous growth.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

A £19m. stir in the French drinks industry

BY OUR OWN CORRESPONDENT PARIS, July 26.

REPORTS appearing here to-day M. Paul Ricard, holder of the controlling 40 per cent. stake in Ricard, the French alcoholic beverages firm producing the Anis of that name, was considering selling his stake were not denied. A company spokesman, however, refused to comment on the possible taking up of the holding by Pernod.

It is not the first time such reports have run, but a Pernod official spokesman this time did not deny that talks have taken place. He described such a move as a "Utopian solution" to the restructuring of the French alcoholic beverages sector.

The Ricard group—the smaller of the two with a 1970 annual turnover of some Frs.554m.—is diversified to an enviable degree.

Ricard has large holdings in Champagne (48 per cent. of Lanson) and a 30 per cent. stake, recently acquired, in a rum producer, Jourdain Freres, as well as being distributor for Seagrams in France. It is currently engaged in talks for the takeover of a large and respectable Portuguese producer.

In contrast Pernod, with a larger turnover of Frs.561m. last year, has stuck to its rival anis drink, plus soft drinks and other aperitifs such as Dubonnet, Cinzano and ..., produced by its subsidiary, ...ps CDC.

The stake M. Ricard is expected to sell would be worth around Frs.250m. (about £19m.) according to French estimates and the Pernod group would seemingly have no great difficulty in putting up this sum—particularly if, as is thought likely, the group decides to sell its Cinzano interests to ...n Cinzano.

Pernod's profits last year, while down somewhat from the record 1969 level, nonetheless totalled Frs.22.9m. and the group is undertaking a capital increase.

Pernod would obviously not be the only contender for the Ricard stake. Other names being mentioned here are Seagrams and the Italian Martini group.

One other field where a decision affecting Ricard might enter is the French cognac producers' sector. Since Hennessy and Moet et Chandon became associated there has been talk of Biscuit Cognac coming under new control—possibly that of Pernod.

It seems unlikely that the French Government, which must approve any eventual merger or takeover deal, would favour a bid involving a foreign concern.

German investors warned

FRANKFURT, July 26.

BERLINER Handels-Gesellschaft Frankfurter Bank cautioned investors against buying German shares as soon as the Federal Bank eases its restrictive credit policy.

In its economic bulletin it said that such a move by the central bank would signal that the aimed-for easing of tensions in the German economy was beginning to take effect.

Investors should wait until the economy reaches a low point after the easing of restrictions before turning their attention to German markets.

In a survey of leading German quoted companies, the bank estimated that only stores would show across-the-board gains in earnings per share this year compared with 1970.

Earnings in the electrical, steel, chemical and motor sectors would be generally lower—exceptions being Siemens which is expected to record increased earnings for this year and Daimler-Benz whose earnings are expected to remain unchanged.

In engineerings and utilities, the outlook is fairly evenly divided between companies which are expected to earn more and those whose earnings are expected to fall, the bank said.
Reuter

Belgian store gets U.S. offer

BRUSSELS, July 26.

GALERIES ANSPACH, a Belgian store group, said Sears Roebuck and Co., the Chicago-based retail chain, had made an offer for the company on the basis of B.Frs.2,900 a share.

The Anspach capital of B.Frs.220.7m. is represented by 220,700 shares. Shares have recently been quoted around B.Frs.2,400 on the Brussels Bourse.

For the year ended January 31 the store company reported net profit at B.Frs.31.6m. (31.2m.) on turnover of B.Frs.2,473m. (2,365m.).

It recommends shareholders to accept the Sears bid.
Reuter

U.S.-owned iron mine goes Canadian

BY OUR OWN CORRESPONDENT TORONTO, July 26.

DOMINION Foundries and Steel, second largest steel producer in Canada, has agreed to buy for an undisclosed price an iron ore mine near Kirkland Lake in northern Ontario from Jones and Laughlin Steel Corporation of Pittsburgh.

Estimated reserves of the mine, which has a current annual output of one million tons of iron ore pellets, are sufficient for 27 years.

The Ontario Government has agreed to give up retail sales tax on the transaction up to a limit of $C1.25m. The Ontario sales tax is 5 per cent., indicating a minimum value for the transaction of $C25m., but the deal probably is worth about double this figure.

Dominion Foundries is the first beneficiary under an arrangement whereby the Ontario Government is encouraging Canadian companies to buy natural resource industries in the province from foreign-controlled companies.

The offer to give up sales tax on such purchases covers the mining, timber, coal, oil and natural gas industries.

Du Pont in Mexico acid project

BY OUR INTERNATIONAL COMPANY NEWS STAFF

THE DU PONT company and Mexican interests have announced plans to build one of the world's largest hydrofluoric acid plants at Matamoros, Mexico.

The plant will be owned and operated by Quimica Fluor, a newly-formed company with headquarters in Mexico City, owned about 33 per cent. each by Du Pont and Minera Firsco and 17 per cent. each by Financiera Bancomer and Comision de Formento Minero.

In addition to its share of capital, Du Pont will provide engineering and technological expertise.

The new facility will have annual capacity of about 150m. lbs of hydrofluoric acid, a basic chemical used in the production of fluorocarbon resins, refrigerants and propellants. Most of this production will be exported to the United States.

The project is in line with the Mexican Government's policy to export finished products rather than raw materials and is feasible because of the local availability of both fluorspar and sulphur, the large scale of the operations and proximity of a good water source.

Metal Box SA rights issue

JOHANNESBURG, July 26.

METAL BOX Company of South Africa said it plans a rights issue as part of a capital-raising package for proposed expansion.

The company will raise about R13m., about R6m. in the form of a rights issue and about R7m. through a medium-term Eurocurrency loan, negotiations for which are in progress.

Authorised capital would be increased by 3m. R1 Ordinary shares to R20m.

SELLING TO EAST EUROPE

An agency on the spot

BY RICHARD NORTON-TAYLOR, BRUSSELS CORRESPONDENT

IN THE same Moscow building as such household names as Fiat and Mitsubishi, a small Belgian firm called Tracosa has its own office. Tracosa S.A. enjoys the distinction of being the only Belgian company officially accredited to the Soviet Ministry of Foreign Trade.

Founded in 1956 as an export-import enterprise, but "mainly to interest Belgian companies in the East European market," Tracosa now represents some 15 Belgian companies in both the Soviet Union and the German Democratic Republic. Its history reflects some of the difficulties incurred by companies trying to break out of traditional trade relationships. Tracosa has had to struggle, from the occasional reservation in a Moscow hotel room in the early days, through to a permanent room, and then, 18 months ago, to a proper office.

Belgium is not the most obvious market place for the kind of advanced equipment for which Soviet importers are looking in the West. On top of this, Tracosa's directors complain that many Belgian companies whose goods are potentially attractive to Soviet buyers are not sufficiently interested in the East European markets. Belgian exports to the Soviet Union have been increasing only very slightly over the past few years, and last year totalled B.Frs.8,500m. (£70.8m.) with imports from the Soviet Union standing at B.Frs.8,800m. Tracosa claims that its Belgian clients have sold some £83m. worth of products to Russia over the past 10 years.

Tracosa is a representation and "compensation" agency that has sought to concentrate on attracting Belgian companies in the mechanical industry sector, including plant machinery and glass products. Just a few weeks ago, a Soviet trade delegation, encouraged by Tracosa, came to Belgium to inspect Belgian electro-thermal welding works. Tracosa's clients include Bekaerts, the fast-developing wire-drawing company, ACEC, Brugeoise et Nivelles, and Syhetra. Tracosa is now anxious to spread its wings and represent Dutch and British companies in both East Germany and the USSR. A director of the Belgian concern recently visited the U.K., specifically to talk with manufacturers of bottle-filling machines.

The Belgian company employs only 26 people in Brussels, East Berlin and Moscow, half of whom are Belgian. It finds it easier to work with the GDR than with Soviet officials, partly because of the greater possibility of actually visiting plants around the country, and partly because of the wider range of consumer goods in which East Germans are interested. In the Soviet Union, much of the staff's time is spent organising seminars and technical demonstrations.

The "compensation" element of most of the contracts fixed by Tracosa—the proportion of any trade deal accounted for by Russian sales to the Western country in question—accounts for only about 15 to 20 per cent. of the total value. The Soviet Union's exports to Belgium, which have also remained fairly constant over the years, are largely accounted for by such traditional exports as timber.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
Straight		
Atlas Copco 9¾pc 1985	102¾	103¾
ASEA 8½pc 1986	94	95
Beecham 8½pc 1986	92½	93½
Borregaard 8¾pc 1986	95½	96½
Conoco 8pc 1986	93½	94½
Conoco 9½pc 1985	103½	104½
Courtaulds 9½pc 1985	102½	103½
Denmark 8pc 1982	102½	103½
Esso 8pc 1986	97	98
Esso 9pc 1985	105½	106½
General Mills 8pc 1986	93	94
GUS 8½pc 1986	94½	95½
Hambros 9½pc 1985	103½	104½
Hamersley 9½pc 1985	100½	101½
ICI 8½pc 1983	94½	95½
Ireland 8½pc 1989	92½	93½
ISEC 9pc 1985	101¾	102¾
Massey Ferguson 9pc 1982	101½	102½
Monsanto 8½pc 1985	100½	101½
Mt. Bk. Finland 8½pc 1986	91½	92½
Occidental 9½pc 1982	91½	93
Oslo 8½pc 1988	92½	93½
Olivetti 9½pc 1985	102½	103½
Ontario Hydro 8½pc 1986	97½	98½
Philips 6½pc 1978	98	99
Quebec Hydro 8½pc 1986	94½	95½
Transocean Gulf 8pc 1986	93½	94½
Notes		
Cabot 8½pc 1975	101	102
Ericsson 8½pc 1975	101½	102½
Esso 7½pc 1978	97½	98½
Esso 8½pc 1975	103½	104½
Gatx Oswego 8½pc 1977	98	99
Hawker 9pc 1975	101½	102½
Nippon Petr. 7½pc 1973	98½	99½
Oslo 9pc 1975	103	104
Transocean Gulf 8½pc 1975	101½	102½
Source: White Weld Securities.		
Convertibles		
Alusuisse 7pc 1981 cum wts.	104½	5½
American Can 4¾pc 1988	78	9
American Brands 5½pc 1988	121½	2½
Amoco 5½pc 1984	96½	7½
Beatrice 7½pc 1990	118½	19½
Chrysler 5pc 1988	66½	7½
Borden 6½pc 1991	102½	3½
Eastman Kodak 4½pc 1988	92½	3½
Equity Funding 5½pc 1989	82½	3½
Firestone 5pc 1988	96½	7½
Ford 6pc 1986	103½	4½
Fuji Photo Film 6½pc 1985	196	6
Honeywell 5pc 1983	98½	9½
Kinney 6½pc 1990	105½	6½
Komatsu 6½pc 1984	101	2
Michelin 6pc 1985	107	8
Murphy 5pc 1989	93½	4½
Owen Illinois 5pc 1977	102½	3½
Pepsico 4½pc 1981	121	2
Rand Selection 6½pc 1988	103½	4½
Revlon 4½pc 1983	101½	2½
Suez 7pc 1985	100	1
Texaco 4½pc 1988	87	8
20th Century Fox 5pc 1987	57	8
Union Carbide 4½pc 1982	92½	3½
Source: Kidder, Peabody Securities.		

IN BRIEF

Europe

UGINE KUHLMANN 1970 consolidated profit rose to Frs.218m. from Frs.143m. on after-tax turnover increased to Frs.6,336m., against Frs.4,859m. Ugine Kuhlmann will merge with Cie Pechiney at the beginning of next year.

BANK VOOR NEDERLANDSCHE GEMEENTEN plans to float Fls.100m. 8 per cent. 25-year debenture loan at par.

EUROPAEISCHE GESELLSCHAFT FUER FIE FINANZIERUNG DER EISENBAHNMATERIAL (Eurofima) will issue private placement of Frs.50m. bearer bonds, carrying 8¼ per cent. coupon and priced at par, Credit Commercial de France said. Issue will mature in 1978 and is redeemable in four instalments, 1975 to 1978.

INTERNATIONAL CHEMICAL AND NUCLEAR CORPORATION (ICN) announced acquisition of ... Marson Company, of Quebec, Canada, developer and marketer of ethical and over-the-counter pharmaceuticals. Terms of transaction were not disclosed. ICN also signed agreement to acquire Dartell Laboratories and Dartell Laboratories Manufacturing Corp., of Los Angeles. Dartell manufactures and distributes dietary supplements and vitamins.

● MARINE FIRMINY operating profit of $C29.6m., or 89 cents per financial year, ending August 31, will rise to about Frs.38m. from Frs.27.7m. for year to June 30 last year. In letter to shareholders, company, which is mainly active as holding company within steel industry, said it expects portfolio revenues to climb to Frs.24m. from Frs.18m. in 1970. Meanwhile, it said it will be able to repeat last year's net dividend of Frs.6.0 on capital increased to Frs.254m. from Frs.203m. Marine Firminy added that operating results of French steel group, Creusot-Loire, in which it has considerable interest, were running for first four months of this year at about same level as last year.

North America

● SHELL CANADA reported profit of $C29.6m., of 89 cents per class A share, in six months ended June 30 last, against $24.3m. (73 cents).

● *KAISER RESOURCES, of Vancouver*, subsidiary of Kaiser Steel, of U.S., reported loss of $C13m. for six months ended June 30 last, against loss of $1.3m. year earlier. Company, which has long-term contract to sell 75m. tons of coking coal to Japanese steel producers, has arranged new price agreement with its customers which company expects will eliminate losses.

● NORANDA MINES reports *profit of $C31.9m., or $1.32 a share*, for six months ended June 30 last, against $27.7m. ($1.15).

● MARATHON OIL second quarter net profit rose to $22m. (73 cents a share) from $20m. (68 cents) in same 1970 period on higher revenues of $299m., against $253m. Net profit in first half rose to $43m. ($1.44) from $39m. ($1.32) on revenues of $590m. ($495m.).

● REPUBLIC STEEL CORP. second net earnings rose sharply to $18.1m. (equal to $1.12 a share) from $10.5m. (65 cents) on higher sales of $482m., against $348m. Six months net earnings increased to $26.2m. ($1.62) from $21.8m. ($1.35) on sales advanced to $864m. from $714m.

Others

● AUSTEN AND BUTTA said in, Sydney it expects to sign agreement next month to develop and open coking coalmine at Sukunka, near Chetwynd, British Columbia, Canada. Under agreement $C1.5m. will be provided by Mikas Oil Company, subsidiary of Brascan, for drilling, underground work and feasibility studies. Mikas will earn 7.5 per cent. interest in main Sukunka property and must complete all additional geological work before July, 1972. Some $C35m. will be needed to bring mine into production, and this has been guaranteed by Brascan.

● AUSTRALIAN PAPER MANUFACTURERS' *group net profit in* 12 months ended June 30 last rose to $A12.7m. from $A12.2m. and it declared final dividend of 6 per cent., making 10 per cent. (same) for year.

● *ASSOCIATED SPRING CORPORATION*, world's largest manufacturers of precision mechanical springs, announces earnings for first six months of 1971 fell to $3.008m. ($1.43 per share) from *$3.112m. ($1.49) year ago. Sales* for six months totalled $62.949m., against $62.232m.

● TRICONTINENTAL and Mitsui Bank said they agreed in principle for Mitsui to acquire 10 per cent. interest in Tricontinental. Transaction is subject to approval of Japanese Ministry of Finance, Reserve Bank of Australia, and shareholders of Tricontinental Corp.

BIDS AND DEALS

Golden Egg talks with Allied Vintners

Discussions are going on which might lead to the Golden Egg catering group making a bid for Allied Vintners Investments—but only after independent accountants have had a look at AVI's books and existing AVI shareholders have injected more cash by way of a rights issue.

Following this news yesterday AVI shares remained unchanged at 21p and those of Golden Egg were up 3p at 118p.

After an examination of AVI by accountants Binder Hamlyn, AVI will raise £412,803 with a one-for-... rights issue.

Then Golden Egg will make an offer for the increased capital which will put a value of 20p on each of the AVI shares and value the group at £825,000.

The directors of AVI, who have been advised by Hill Samuel, will recommend the offer and the directors and other shareholders accounting for 65.1 of the AVI capital have undertaken to apply ... £805 in subscribing for rights shares and will accept the offer. Arbuthnot Latham, Golden Egg's advisers, will arrange underwriting of the offer.

Golden Egg has also entered into an agreement in principle with "a leading institution" whereby £5m. will be made available to it by way of a 20-year ...n mortgage debenture to be drawn over a five-year period for further development.

Mr. John Bosman, chairman of Golden Egg, maintained yesterday that the AVI catering operations—... hotels and a public house in the Midlands and Yorkshire—would dovetail well with Golden Egg's own expansion moves in these areas.

Golden Egg's hotel division currently operates six hotels in London and one in Birmingham with two further London hotels under development. The Shorts subsidiary has a chain of inns in London and the provinces.

AVI also has a wine shipping division—it holds the agency for Richard Ame wines—and makes mineral waters.

Mr. Bosman commented: "Our offer marks the beginning of a new phase in the development of the Golden Egg group. With the acquisition of United Cattle Products in January we materially improved our assets position and with our new long term finance arrangements (a reference to the ...n loan), we are now in a position to take advantage of opportunities as they arise. This could eventually take us into the top league of catering operations."

GRAND MET. OFFER NOT READY YET

The formal offer from Grand Metropolitan Hotels for Truman Hanbury Buxton was expected to go out last night but failed to materialise. A spokesman for S. G. Warburg, Grand Met.'s advisers, said it was hoped the documents would go out shortly. Meanwhile, rival bidders Watney Mann was still waiting to see what the documents contained before making known its decision on whether or not it will go on fighting. It was again keeping its options open by acquiring more *Truman shares in the Market—the* purchase of 59,200 on Friday at 416p each gave Watney about 27 *per cent. of Truman.*

Grand Met. was also buying on Friday, 52,650 Truman at 416p each to take its holding to about 11.5 per cent. The terms of Grand Met.'s bid are bound, under the City Code, to be raised marginally from the current value of 407p to around 412p.

Last night the Truman Ordinary remained unchanged at 416p.

ASSOCIATES DEALS

On Friday S. G. Warburg sold 25,000 Truman Hanbury at 416p *on behalf of an associate.* Grand Metropolitan purchased 52,650 Truman Hanbury at 416p average. *Cazenove sold 20,000 Grand Metropolitan* at 194p on behalf of an associate, and bought 59,200 Truman Hanbury at 416p on behalf of associates of Watney Mann.

L. Messel bought on Friday 40,000 Cunard at 197½p average on behalf of Kleinwort Benson as Trafalgar House Investment's associate.

LONSDALE UNIVERSAL

Lonsdale Universal announces that balance of consideration for the purchase of Midland Stationers (acquired in October, 1970) has been agreed at £79,250 and is to *be satisfied by the issue of 174,000* Ordinary shares. This is equivalent to an issue price of 45½p per share.

R. CARTWRIGHT

R. Cartwright (Hldgs.) has contracted to purchase the capital of Quadrant Castings of Great Barr, Birmingham, *for £40,000* cash on completion July 30.

P. PANTO

On the week-end of July 17, P. Panto and Co. absorbed the connection in Maidstone of Bennitts and Edward Moore. Bennitts has operated in Maidstone for a number of years and had a turnover of approximately £1m.

ALLEN ROWLAND

The acquisition of Allen Rowland by J. Saville Gordon Group will not involve any change in *management.*

When the deal was announced last week it was stated that Mr. *Allen Rowland would remain* a director of Allen Rowland and would join J. Saville Gordon as an *associate director.* It is now stated that the present management is being retained.

THOS. W. WARD

Thos. W. Ward has acquired Safety Service Company, of Chesham, Bucks., manufacturers of industrial safety equipment, including its two wholly owned subsidiaries J. C. P. Industrial Clothing and Itex Equipment Company.

Purchase consideration is about £400,000, satisfied by the issue of *150,000 Ordinary shares,* and priced at the date of negotiations at 266½p.

Value of the assets acquired is £116,000 and net profit, before tax, for the last trading year was £53,000.

HOWARD & WYNDHAM

Howard and Wyndham has *offered £1.75 for each of the 60,000* shares in Oxford Theatre Company, which owns the New Theatre, Oxford, and certain adjoining freehold properties and quoted investments. It is a private company whose shares are not quoted. Acceptance of the offer has been recommended by the Oxford Board.

Profit before tax of Oxford for the ten-months April 1, 1970, to January 31, 1971, was £7,662. At January 31, 1971, value of net assets was £97,884. The New Theatre is presently leased from *Oxford Theatre Company* by Oxford Theatre Productions Ltd. (S. C. Dorrill, chairman).

Howard and Wyndham expects the acquisition to be of considerable benefit, not only with regard to profits which may be gained from the ownership of the New Theatre, but from ancillary benefits *through the addition of the* New Theatre to the group of provincial theatres which Howard and Wyndham already owns, books or operates.

Commenting on this development, Mr. Ralph Fields, managing director of Howard and Wyndham, said: "This acquisition indicates our continued faith in the future of a select group of theatres; one in each of the important provincial centres—operated to serve both the commercial and subsidised theatre."

JOHN MYERS

Documents have now been sent out in respect of the agreed offers by United Drapery Stores for the shares it does not already own in and the loan stock of John Myers. *The offers close on August 16.*

NORTH BRITISH PROPERTIES

The Newcastle based North *British Properties Group will form* a separate Scottish property company on July 31. Known as John T. Bell *and Sons (Scotland)* it will have its head office in Edinburgh. The new managing director will be Mr. Hugh McDonough and fellow directors, Mr. Kenneth Bell and Mr. John Gibson.

Mr. Kenneth Bell, managing director of the parent group, said that the separate company was a logical step in its development in Scotland. "We have established for ourselves a very fine record in Scotland. The market is expanding rapidly and we are gearing ourselves to meet this expansion. Autonomy is the logical answer."

FOSECO MINSEP

Under the agreement with American Metal Climax and Anglo-American Corporation of *South Africa, Foseco Minsep will* exchange its interests in Bamangwato Concessions and Makgadik*gadi Soda for a 5.73 per cent.* share in Botswana RST. In yesterday's report Makgadikgadi was *incorrectly described as* Minerals Separation.

FLUIDRIVE

The Board of Fluidrive Engineering is in consultation with its advisers, Kleinwort Benson and will be writing to advise members of the action recommended in connection with the proposed Wellman Engineering Corporation offers.

ANTIFERENCE

The offer by Grovewood Securi*ties for the Preference capital of* Antiference Group has been accepted by the holders of 206,112 *shares representing* 94.17 per cent. of the capital. The offer has become unconditional and has been extended.

RESULTS AND ACCOUNTS IN BRIEF

W. G. FRITH AND CO. (makers of aluminium foils)—Results for year to February 28, 1971 reported June 1. Fixed assets, £198,966 (£192,822). Net current assets, £119,243 (£131,454). Chairman says slump in last three months of 1970/71 reflects poor results shown by confectionery trade generally. He believes from trading results up to the end of May, 1971, that this sudden recession has left the trade short of wrapping, particularly group's own products, and that making up this shortage will benefit group in the current year. Meeting, Southend-on-Sea, July 14 at 11.30 a.m.

GEDULD INVESTMENTS—(formerly: GEDULD PROPRIETARY MINES), dividend of 7 cents per share (same and total 19½ cents) for 1971. Income from investments (R000's omitted) six months ended June 30, 1971, R670 (R691 and R1,047 for 1970). Sundry revenue less expenditure R57 (R26 and R49). Net Surplus on Sale of Investments R51 (R134 and R136). Surplus on Sale of Fixed Assets R263 (R461 for year). Directors' Fees R3 (R3 and R6). Profit before taxation R1,038 (R546 and R1,558). Normal taxation nil (R44 and R77). Net profit R1,038 (R504 and R1,481). Available R1,078 (R575 and R1,532). Board says it should not be assumed that results for the half year, will necessarily be repeated in second half, since at present approximately two-thirds of income from investments accrues during first half and profits and losses on realisation of investments are subject to wide variations. Assets at June 30, 1971 were, property R1,000 (nominal value), investments R11,763,000 (market value or directors' valuation R14,447,000) and debtors on extended terms plus net current assets, R2,295,000.

H. HERRMANN (furniture makers and timber merchants—subsidiary of Thorn Electrical Industries)—Group turnover, year to March 31, 1971 £3,085,819 (£2,776,127). Profit £126,437 (£99,097) after tax of £68,000 (£55,000). Preference dividend £5,913 (same), forward £617,718 (£492,718). Group fixed assets £604,099 (£536,931), current assets £583,795 (£592,674) and liabilities £470,703 (£527,435). Meeting, Thorn House, Upper St. Martin's Lane W., August 20, at 11 a.m.

KAKUZI—(formerly Kakuzi Fibrelands). Second interim 10 cents, making 25 cents to date in respect of year to February 28, 1971 (total 25 cent). Expected to pay early January, 1972, final dividend which will depend on realisation of unsold coffee acquisition profits £39,939. Net profit is crop. Profit before tax (in Kenya currency) is £131,384. Tax takes £23,506 and minority interests and subsidiary pre-... £67,639.

KENNEDY'S (BUILDERS' MERCHANTS)—As known profit before tax for six months to May 31, 1971 £238,000 (£112,500) with an interim dividend of 8 per cent. (equivalent 6.4 per cent. and total 18 per cent.) there is also a one-for-four scrip issue proposed. Sales *for the first six months, excluding Joynes* and Lawry's, show an increase in excess of 18 per cent., states Board. However, increase in net profit is compared with a depressed first half last year. Increase in sales in second half being maintained, but results for period have to be compared with the recovery which occurred *in the second half last year.* Board has every confidence that improvement in the private sector of the building industry is being maintained and, provided this trend continues, predicts a profit for the full year in excess of £525,000. Dependent upon this rate of final dividend will be maintained on increased capital.

LEDA INVESTMENT TRUST—Interim dividend on income shares 4 per cent. (same—total 10½ per cent.) for 1971. *Revenue before tax of parent company* for six months to June 30, 1971, £23,857 (£17,784). Directors estimate that revenue before tax of parent company for 1971 will be sufficient to maintain dividend. Profit before tax of dealing subsidiary for period was £6,020. Net asset value per Capital share at June 30, 1971, before allowing for conversion of convertible loan stock was: Excluding notional Capital Gains Tax Liability 38p (36p after loan stock conversion); After deducting notional capital gains tax liability 32½p (32½p).

MELDRUM INVESTMENT TRUST—*Gross revenue, five months to June 30,* 1971, £68,339 (£48,558 for six months to July 31, 1970). Net revenue before tax £63,361 (£45,251). Net revenue after tax £62,246 (£42,330). Interim 2½ per cent., already paid. Net asset value per 25p Ordinary at June 30, 1971, was 46.7p (37.5p at January 31, 1971).

LOWLAND INVESTMENT COMPANY—Gross income for third quarter to June 30, 1971, £48,735 (£35,755 and £147,505 for year) interest and expenses £9,875 (£2,794 and £8,674). Earnings per 25p share 0.61p (0.49p and 1.94p). Net assets per share at June 30, 1971, were 45p (35½p and 39p at September 30, 1970) assuming full conversion of loan stock. Net current assets £29,608 (£49,094 and £47,177). Solution of investments and fixed deposit £3.60m. (£2.36m. and £2.61m.).

SCOTTISH TEA AND LANDS COMPANY OF CEYLON—Dividend 3½ per cent. (2 per cent.) for 1970. Results are not comparable with those for the 18 months to December 31, 1969, due to seasonal fluctuations in the company's business, the incidence of certain overheads which are not accrued on a day-to-day basis, and the different method of providing for depreciation and renewals. Net proceeds of tea crop £910,220 (£1,242,525 for 18 months). Other income £6,031 (£5,812). Cost of production £785,040 (£1,160,314). Depreciation £18,292 (nil). Expenses, including FEECs £33,704 (£34,860). Interest £6,073 (£6,966). Trading profit £93,142 (£49,197). Tax £35,900 (£7,300 credit). Net profit £47,242 (£56,497). Dividend £27,200 (£21,400).

STANDARD TEA HOLDINGS—Results for 1970 reported July 17. Fixed assets, £1,136,361 (£1,060,461). Net current assets, £189,219 (£207,466). Chairman says there is no reason, at this stage, to forecast any substantial change in level of trading profits from Ceylon but amount available after taxation and FEEC's is relatively small. Prospects from Kenya investment are improving and it is hoped there will be sufficient total profits at least to maintain 5 per cent. dividend rate, assuming that remittances of Ceylon profits will continue. Regarding U.K. investment income directors have since end of last year sold British Government Securities (at a loss of £4,925) with a view to increasing rate of return by use of franked income or otherwise. Meeting, 13, Rood Lane, E.C., August 18 at noon.

WEST OF ENGLAND TRUST—Final dividend 14 per cent., making 18 per cent. (same) for year ended April 30, 1971. Profit £35,308 (£34,548) before tax £1,672 (£1,000). Dividends £31,069 (£21,010). Forward £35,308 (£35,376) after £60 (nil) to general reserve. Investments £476,858 (£488,061) including quoted £471,917 (£482,568), with market value £779,498 (£684,417). Chairman is hopeful that the current year will not be less satisfactory than 1970-71. Meeting, Bristol, July 30, at 12.30 p.m.

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DTI control over life assurance urged

BY KEITH LEWIS

WIDE-RANGING controls of the life assurance industry are called for by Old Broad Street Securities Assurance, a subsidiary of Old Broad Street Securities (the merchant banking offshoot of United Dominions Trust).

In evidence submitted to the Scott Committee, which is examining the equity and property-linked life assurance industry, Old Broad Street states that "self-policing by a panel or association of life offices would be no substitute for control by the Department of Trade and Industry, unless it were *backed by a joint guarantee* by the members to policyholders."

The document adds that the existing controls applied to assurance companies formed after the Insurance Companies Act, 1967, should be extended to the whole of the industry, though on a purely discretionary basis. Legislation ensuring full disclosure "of all matters relevant to the policyholders' interests" is also advocated, as is legislative force being given to the Property Bond Code of Conduct. The latter was compiled by a number of the leading unit-linked groups.

It is further suggested that the DTI should be empowered to order the withdrawal of any advertising material considered misleading, and calls for such provisions to be made applicable to insurance brokers.

Like many other non-members of the Life Offices Association, Old Broad Street feels that commission payments should be unrestricted to allow new groups to penetrate the market. However, it is also suggested that these charges should be submitted to the DTI in order to "*relate such structure* both to the company's resources and to the interests of the public."

Opposition likely

These views, which are possibly the strongest put forward so far, are likely to be opposed by a good many other groups which feel that DTI interference is undesirable. However, it is significant that two major groups in the traditional life offices faction, Co-operative Insurance and Legal and General, have gone on record in recent months in asking for legislation on the uses of life funds.

Government seeks air charters' overhaul

BY RAY DAFTER

MR. MICHAEL NOBLE, Minister for Trade, said yesterday that the British Government was still involved in international discussions concerning the regulation of air charter activities.

These talks, involving Governments and regulatory organisations, are aimed at reaching a more equitable and enforceable charter system. The possible introduction of cheap air tickets which have to be purchased a number of months prior to the flight—now under discussion by North Atlantic airlines at their fares conference in Montreal—is seen as one way of simplifying the regulations.

Mr. Noble was asked in the Commons if he would initiate proceedings against the Discount Air Travel Centre for selling charter seats to the public in breach of the International Air Transport Association regulations. Mr. Michael McNair-Wilson (C., Walthamstow East) commented: "This is one more example of how these regulations are continuously being flouted."

In reply, Mr. Noble said his department would decide whether to take legal proceedings when the investigation now going on had been completed.

"If we are to change the rules, we have to change them in the international field. I entirely agree the whole question does need very careful overhaul."

U.K. 'needs current account surplus of £500m.'

BRITAIN now needs to budget for a normal net capital outflow overseas of £200m. a year, according to an article in the August issue of Management Today discussing *Britain and the EEC*. *To meet* these requirements Britain would need to run a surplus on the payments current account of up to £500m. a year.

"In the short run, the huge payments surplus generated in 1970 and 1971 must be expected to dwindle as the spending and output recovery gets under way," says the article.

In the period immediately prior to Common Market entry the current account surplus is forecast to fall to about £300m. to £350m. in 1972.

It is anticipated that the surpluses generated this year and next will enable repayment of the outstanding debt to the International Monetary Fund of nearly £700m.

In 1973—the year set for entry—"a further deterioration in the payments position must be anticipated" just as Britain's recovery "gets into full swing."

The article says that if the normal capital outflow and the payments liable to the EEC are taken into account, an overall payments deficit is likely from 1973 to 1974. On these figures the need for devaluation "is difficult to escape." It would be needed in order to get "the export-led expansion which Britain will ultimately need," the article concludes.

Elf Norge makes North Sea gas find

Financial Times Reporter

ELF NORGE, a subsidiary of the French State-owned Elf Erap group, has discovered what may be an important natural gas field in the Norwegian sector of the North Sea. The company, which acts as operator for the French-dominated Petronord consortium, *has completed tests and obtained* a maximum gas yield of 670,000 cubic metres a day from one well in Block 25/1, about 130 miles to the east of the Shetlands.

Further work will be needed to decide whether the deposits are commercially exploitable. The drilling platform will be moved 3½ miles to the north where a second hole will be drilled.

The median line dividing the British and Norwegian sectors of the North Sea runs through part of the block in which the find has been made. The Total Marine group which, like Petronord, includes interests of Elf Erap and Total, holds the licence for the *British part of the block* in question. The blocks immediately to the west and north-west of the Petronord find are among those at present on offer from the Department of Trade and Industry.

The partners in the Petronord group are Elf Norge with 38.4 per cent., Total Norge (the Cie. Francaise des Petroles subsidiary) with 28.8 per cent., Aquitaine Norge with 19.2 per cent. and Norsk Hydro with 13.6 per cent. The Norwegian interests have an option to increase their holding to 37.9 per cent. if commercial deposits are found.

Electrical industry sets up body to study Europe

FINANCIAL TIMES REPORTER

TRADE associations representing the electrical and electronic manufacturing industries have established the Electrical, Electronic and Allied Industry Europe Committee to analyse prospects within the Common Market.

On the initiative of the British Electrical and Allied Manufacturers' Association, they will be participating in a joint effort to collect and disseminate information for the benefit of their members and to maintain liaison with the Government and with counterpart organisations throughout Europe.

Membership of the committee so far comprises all BEAMA product divisions, the Electronic Engineering Association, the Scientific Manufacturers' Association of Great Britain, the Association of Manufacturers of Domestic Electrical Appliances, the Telecommunications Engineering and Manufacturing Association and the Lighting Industry Federation. Mr. G. R. Ashford, director of central services BEAMA, has been elected chairman of the committee.

Among the subjects currently under investigation by the committee are the effect of the Community rules on franchise agreements, the significance of proposals on harmonisation within the EEC of public purchasing arrangements and other developments involving industrial policy.

NORTHERN REGION HOUSING NEEDS

Some 11,000 slum houses must be pulled down, 25,000 new houses built and 25,000 older ones improved each year for ten years to put the Northern region's housing in reasonable order, says a report by the Northern Economic Planning Council.

Educational 'revolution' in U.K.

BRITAIN'S colleges of advanced technology and polytechnics are helping to bring about "a profound and distinctive social revolution," according to a report published yesterday by the Organisation for Economic Co-operation and Development. It says the approach of English technical education to certain subjects has shown up the contribution of universities in most West European countries to be "tentative and inadequate."

The revolution—brought about by colleges of advanced technology, polytechnics, and the National Council for Technological Awards—means, among other things, extending education to those social groups which were previously excluded.

Authors Tyrell Burgess and John Pratt, both of the Centre for Institutional Studies, North-East London Polytechnic, point to a new self-confidence in the public sector of higher education.

They say a current attempt to give publicly-controlled institutions significant autonomy and freedom is the most important innovation in educational government since the foundation of the University Grants Committee at the turn of the century.

"The potential of the new development is even more important. Probably no western European country has yet had to face the demand for mass higher education which has become a major preoccupation of the United States.

"It is just possible that, with the creation of the new polytechnics, England may have placed itself in a position to begin to do so."

Innovation in Higher Education: Technical Education in the United Kingdom by Tyrell Burgess and John Pratt. Fifth in a series of case studies by the OECD. Price £1.50.

APPOINTMENTS

Mr. J. Ramsden joins Standard Telephones

Mr. James Ramsden, Conservative MP for Harrogate, has been appointed to the Board of STANDARD TELEPHONES AND CABLES.

Mr. Ramsden was Secretary for War, 1963-64, and Minister of Defence (Army) from April to October, 1964.

★

Mr. John B. J. Lidstone, an executive director of MARKETING IMPROVEMENTS, has become client services director. He also joins the Board of Marketing Selections but relinquishes his position as general manager of that division. Mr. David I. Senton has been appointed to the Board of Marketing Improvements as director, training. The consultancy and selections division have been merged under the management of Mr. E. J. Hutchison.

★

Mr. Kenneth Parker has succeeded the late Mr. G. V. Jones as chairman of National Westminster Bank's finance and instalment credit subsidiary in the Channel Islands, NATIONAL WESTMINSTER BANK FINANCE (CI). He will continue as the Bank's south-east regional executive director.

★

Mr. Alaister T. Fisher has been elected chairman of the quantity surveyors' divisional council of the ROYAL INSTITUTION OF CHARTERED SURVEYORS.

★

Mr. Douglas Colquhoun has been elected chairman of the ASSOCIATION OF INTERNATIONAL ACCOUNTANTS. Mr. Kenneth Mines becomes vice-chairman.

★

Miss Winifred Sainer has been appointed to the Board of LEWIS'S from August 1. Mr. T. R. McKie will also join the Board from the same date.

★

Mr. J. D. Lambert has been appointed marketing director of DORMOBILE (Martin Walter Group).

★

Mr. A. James Hardaway has been elected a member of the Provincial Brokers Stock Exchange and has joined the Torquay branch of W. MORTIMER AND SON as a consultant and associate member.

★

Mr. P. H. E. Wide will join ENGINEERING AND TEXTILE SPRINGS (Darnall) as marketing director on August 9.

★

Mr. A. F. Tuke has been elected a director of the MERCANTILE AND GENERAL REINSURANCE COMPANY.

★

Mr. W. H. L. Gordon has been appointed to the advisory staff of the OVERSEAS DEVELOPMENT ADMINISTRATION as an adviser on private investment. He will take up his new duties on a full-time basis in October.

The appointment is part of the Government's plan to encourage a greater flow of British private investment to developing countries.

★

BARROW HEPBURN GROUP CHANGES

The following management changes have been made in the upper leather division of BARROW HEPBURN.

Mr. R. J. Hinde has joined Mr. G. R. Odey and Mr. E. M. Wilson as a joint managing director of Barrow Hepburn. Mr. Hinde will be responsible for the group's upper leather division giving Mr. Odey more time to attend to his increased responsibilities as finance director of the parent company, Barrow Hepburn and Gale.

Mr. H. W. Wilcox, while retaining his position as director and general manager of Richard Hodgson and Sons, upper leather tannery, has replaced Mr. Hinde as managing director of Henry Hall and Sons and director and general manager of the upper leather tannery of Thomas Holmes and Sons.

Mr. H. W. Hodgson, a director of Richard Hodgson and Sons, has been appointed assistant general manager of Richard Hodgson's upper leather tannery.

Mr. T. Bailey will take over from Mr. D. B. Ingle as managing director of Kitchin Ingle on August 9. Mr. J. Fielder has also joined the Board of that company.

Mr. K. M. Hudson, at present assistant managing director of Henry Hall and Sons and works director of Thomas Holmes and Sons' upper leather tannery, will succeed Mr. T. Bailey as managing director of Harris Brothers (Rushden) from August 16. Mr. D. J. Green, managing director of Bjorlow (Great Britain) has also joined the Harris Board.

Mr. J. M. Josephs has been appointed as vice-chairman of J. M. Josephs and sales director of Barrow Hepburn, upper leather division. Mr. Barry Miller has been made marketing manager for Barrow Hepburn with particular responsibility for the Poromerics division of William Walker and Sons.

★

Mr. H. C. B. Berens has been appointed chairman of WHEATSHEAF DISTRIBUTION AND TRADING. He succeeds Mr. S. H. W. Pumphrey who remains on the Board as a non-executive director. Mr. E. Aylett Moore becomes deputy chairman and managing director.

Mr. Alistair McIntosh has been appointed to the Board of JAMES BURN AND CO as group chief executive. Mr. David Hale, the group marketing director, is in addition appointed deputy chief executive. Mr. John Brooke-Hunt, the chairman, is relinquishing his position as group managing director but retains responsibility for export sales, research and development.

The changes will take effect on August 2.

★

Mr. K. L. Stothers, Mr. R. H. Sanders and Mr. D. Heath-Smith have been appointed directors of W. J. FURSE AND CO (Crown House Group).

★

Mr. G. W. P. Hastings has been appointed London office manager of the COMMERCIAL BANKING COMPANY OF SYDNEY to succeed Mr. L. A. Ault who has retired after 47 years with the bank in London.

Mr. S. R. Marshall and Mr. J. C. Oakley have been appointed assistant managers.

★

Mr. R. S. Ewing will retire on July 30 as a director of CAV, a subsidiary of Joseph Lucas (Industries).

★

Mr. E. A. Knight has been appointed a Commissioner of Customs and Excise on the retirement next October of Mr. George Imms.

★

Mr. H. M. Plowden Roberts has been appointed a director of ALLIED SUPPLIERS with responsibility for meat, greengrocery and catering.

★

Mr. C. J. Bowring and Mr. L. Cary have been appointed directors of the BOWRING STEAMSHIP COMPANY.

★

Following the acquisition of Carter Penguin Group by Armour Trust, Mr. A. D. Belcombe, Mr. C. R. Lambourne, Mr. P. Rhodes and Mr. M. R. B. Thomas have been appointed directors of CARTER PENGUIN GROUP and Mr. E. J. Vickers has resigned from the Board.

★

Mr. G. P. Robertson has decided to retire from the Board of NATIONAL AND COMMERCIAL BANKING GROUP on September 30.

★

Mr. T. S. Corrigan has been appointed managing director of the INVERESK PAPER COMPANY in succession to Mr. C. H. Bradly, who is remaining on the Board in a non-executive capacity.

★

Mr. D. C. Spearing has been appointed a director of BRENDON SECURITIES from July 31. He has resigned from the Board of Ralli Securities, but will continue as a consultant to the Ralli International group.

★

Mr. Peter Walker, Secretary of State for the Environment, and Mr. Peter Thomas, Secretary of State for Wales, have appointed Mr. John Cousins, national secretary of the Public Services and Civil Air Transport Group of the Transport and General Workers' Union, to be a member of the Committee on National Park Policies.

★

Mr. E. M. Harvey and Mr. W. Garner have been appointed respectively chairman and managing director of WESSON HOLDINGS following the acquisition of that company by Glynwed.

Tax concession

A HANDFUL of valuable estates could benefit by a tax concession announced recently by the Inland Revenue. It affects objects of national, scientific, historic or artistic interest sold within three years of death. These were excluded from Estate Duty under a previous Finance Act but became liable to capital gains tax if sold within the three-year period.

The announcement of "extra statutory treatment" was needed because capital gains tax on death has now been abolished.

A small number of estates were caught between the old and new Finance Acts. Executors with these objects of special interest which they wished to sell before March, 1974, could have become liable to capital gains. Where this has happened the Inland Revenue is now allowing tax deduction claims.

NEW TRIDENT UNDERWRITING ROOM ON AUG. 9

Trident Insurance Company is to establish from August 9 a new underwriting room at 37/38 Lime Street, London EC3 (telephone 01 623 4571). This will service brokers in the London area and will handle fire, business interruption, engineering, accident, home foreign, marine and aviation.

RECENT ISSUES

EQUITIES

Issue Price p**	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p**	+ or −	Div. £ or Amount	Times Covered	Gross Yield %	P/E Ratio
75	F.P.	3/9	82	78	Allied Polymer	78½	+½	b18	1.3	5.7	15.6
♦	F.P.	—	183	130	Berwick Timpo (£1)	153	.....	♦b	2.6	5.9	9.6
53	75	15/12	88	67	Border & Southern Conv.	87	+1½	—	—	—	—
♦	F.P.	11/8	180	132	British & Can. Inv.	135	.....	9	—	1.7	—
10	F.P.	9/7	115	97	Burston Group	99	+1	b16	1.7	4.0	14.9
—	—	—	135	98	Burton Grp. Warrants	135	+5	—	—	-	—
58	F.P.	21/7	45½	40½	Coley-Rotolin Grp.	41	.....	b10	1.7	6.1	9.6
♦	F.P.	30/7	59	50	Commodore Secs.	55½	+2	b12½	2.2	2.3	19.8
♦	F.P.	—	81	63	Cosalt	58	.....	b15	1.8	6.7	8.1
30	F.P.	11/8	95½	90½	*Evans of Leeds*	94½	−½	b15	1.4	4.0	18.0
—	F.P.	—	470	370	First Inv. Am. Tst. ($4)	380	.....	—	—	—	—
30	F.P.	5/8	103½	97	Glendevon Inv.	102½	.....	£12	—	2.9	—
30	F.P.	5/8	112½	100½	Do. Do "B"	112½	+½	—	—	—	—
21½	F.P.	—	235	180	Jessel Trust	225	+15	—	—	—	—
10	F.P.	3/9	125	112	Kettering Motor Serv 10p	117	+4	b40	1.6	3.4	17.7
12	F.P.	27/8	60	55	Lawdon (10p)	60	+1	b35	1.8	5.8	9.6
10	F.P.	4/8	45½	33	Lincroft Kilgour (10p)	33	−3	b27	1.9	8.2	6.5
♦	F.P.	11/8	265	250	Matthews Wright'n 20p	259	−1	b40	1.9	3.1	17.3
12	F.P.	26/8	80	72	NSS Newsagents (10p)	77	−1	b22½	2.2	2.9	15.4
9	F.P.	—	71	60	Northborough Inv.	62	.....	—	—	—	—
—	F.P.	—	86	78	Schlesinger (R1)	79	−1	b4.2	—	3.1	—
10	F.P.	16/7	107	97	SPLIT Inc. (10p)	107	+5½	77.3	—	7.2	—
10	F.P.	16/7	105	91½	Do. Cap. (10p)	104	+2½	—	—	—	—
0	F.P.	7/7	91	60	Tigon Group (10p)	89≠	.....	b23	1.5	2.6	25.7
—	F.P.	—	34	26	Tower Assets (10p)	32	+4	φ7½	2.1	2.3	20.3
5	F.P.	4/8	81	71	Tranmer Grp (10p)	74	.....	b40	1.7	5.4	11.2

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
100	F.P.	—	98	95	Armour Tst. 10½% Part. Conv. '91-6	97	.....
100	£25	15/10	28¾	24½	Automotive Prods. 10.4% Deb. '96-2001	26½	.....
100	£25	18/6	32	23	Bensons Hos. 10% Conv. 1977-91	25	.....
100	£35	29/10	40½	34½	Brady (G.) 11% Deb. 1991-96	35¼	.....
00	£50	—	60½	50	Bristol E. Pst. 10¾% M. Deb. '91-6	50½	+½
—	F.P.	22/7	96¾	92½	Brit. Land 8¼% Uns. 1976	94	.....
100	F.P.	7/7	98	94	Brittains 10½% Conv. 1991-96	96½	.....
00	F.P.	19/8	108	95	Cannon St. 9¼% Part Conv. 1976	104	−1
00	F.P.	5/8	113½	108¼	Cap & Counties 9¾% Uns. '91-6 (with Warrants)	112	.....
00	nil	6/8	9	5½	Cattle Hlds. 9% Conv. '87-91	7pm	−1
00	F.P.	—	99¼	99¼	City Acre 10.2% 1st. Mort. '91-6	99¼	.....

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
£100	F.P.	18/8	115	96½	Cornwall Prop. 10% Partly Conv. 1976	110	.....
£97¼	F.P.	—	98¾	92¾	Doncaster (D.) 11% Deb. 96-2001	98½	.....
£103	F.P.	23/7	111	108	East Anglian Water 10% Red. Pref. '77	108	.....
φ£100	F.P.	9/6	112	101	Eng. & Int. 7% Conv. 1986	112	+3
£100	F.P.	29/7	106	100¾	Glendevon Inv. 10.6% Deb. '91-96	105	.....
£99	£50	1/10	61½	50	Hargreaves 10¾% Deb. '92-97	51½	.....
£100	£50	24/9	63½	51¼	Hepworth Cer. 10.4% Deb. '92-7	61¾	.....
£97½	F.P.	30/11	98½	96	I.C.F.C. 9% Uns. Ln. Stk. 1977	98	.....
φ£100	F.P.	2/7	121	105½	I.U. Gas 7% Conv. 1990-95	117½	+1
£98	F.P.	7/5	109	99¾	I.C.I. 10% Uns. Ln. Stk	106	.....
‡‡	F.P.	17/9	105	96	Kent Castings 10% Part. Conv. 1976	105	+2
‡‡	F.P.	20/8	110½	105	Kleeman 7½% Conv. 1981	110½	+2½
—	F.P.	30/6	75¾	72½	Land Secs. 6¾% 1st Mort. Deb. '78-83	75¾	+1½
—	F.P.	30/6	68½	65	Do. Do. Do. 1993-98	68½	+2
—	F.P.	30/6	90	85	Do. 8¾% Uns. Ln. Stk '92-7	88¾	−½
£103	£10	27/8	18	18	Mid. Sth. Water 10% Red. Pref. '77	18	.....
$100	F.P.	—	97½	97½	National Bank of Hungary 8¾% US$ Bds. 1981	97½	.....
‡‡	F.P.	15/9	97	92½	Newman Inds. 10¼% Part. Conv. '96-8	97	.....
£100	£10	—	9⅞	9⅝	North'pton Corp. 8% Red Stk. '78-9	9⅝	.....
£100	nil	11/8	12½	8	Plantation 11% Conv. Sub. '91-96	12pm	.....
£100	F.P.	16/9	108	100	Ralli Int. 9% Uns. 1974	103	−1
£99	£25	7/10	25½	24¼	Reeves (F. J.) 11% Deb. '96-2001	25¼	.....
£100	F.P.	13/8	107	95	Ruberoid 10¼% Prly Conv. Uns. Ln. Stk. 90-95	107	.....
$100	F.P.	—	98½	98½	Sandvikens 9% $ Bonds 1986	98½	.....
£100	F.P.	18/6	110½	103½	Scott. Auto. 10% Conv. Uns. '85-90	109	.....
£103	F.P.	23/7	111	108	Sutton Water 10% Red. Pref. '77	108	.....
φ£100	F.P.	9/7	104	100½	Temple Bar 5¾% Conv. '85-90	104	.....
£100	nil	6/8	5¼	2¾	Throgmorton Tst. 8¼% Conv. '88-92	2¾pm	−1
£100	nil	—	4¾	3½	Union Comm. 6¼% Conv. 1986	3½pm	−¼
£104	£10	—	18½	18½	Wrexham & E.D. 10% Red. Pref. 1977	18½	.....

"RIGHTS" OFFERS

Issue Price p**	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p**	+ or −
$1.00	Nil	—	Austim	6½pm	+1½
35	F.P.	3/8	Bimits	60	.....
φA$15·5	37p	2/7	Bougainville Mines	100	.....
140	Nil	2/9	Bovis	42pm	+5
27½	F.P.	30/.	Bridgend Inv.	32½	.....
27	Nil	6/8	Scottish Tea & Rubber	4½pm	+½
10	Nil	—	Shipton Automation	½pm	.....
98	Nil	—	Wolsey-Hughes	30½pm	+½

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *k* Figures based on prospectus or other official estimate for 1969-70. *p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." φ Issued by way of rights. † Rights by way of capitalisation. ‡‡ Tender allotment price. ♦ Reintroduced. ⇄ Issued in connection with reorganisation, merger or take-over. ✻ Provincial quotation. ♣ Introduction. ♠ Issued to former Preference holders. * Dealt in under Special Rule. ≠ Price at time of suspension.

INTERIM STATEMENTS

GEDULD INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

formerly:— GEDULD PROPRIETARY MINES LIMITED

DECLARATION OF DIVIDEND

A dividend of 7 cents per share has been declared payable to members registered in the books of the company at the close of business on 6th August, 1971, and to persons presenting bearer warrant coupon No. 113 in terms of a further notice to be issued from the London Transfer Office and published on 13th August, 1971.

Dividend warrants will be posted from the Registered Office and London Transfer Office on or about 16th September, 1971.

The Register of Members will be closed from 9th to 13th August, 1971, inclusive.

The dividend is payable subject to conditions which can be inspected at the Registered Office or London Transfer Office of the Company.

HALF YEARLY STATEMENT

The unaudited accounts for the six months ended 30th June, 1971, and the comparative figures for 1970, show:—

	January to June 1971	January to June 1970	Year 1970
	R(000)	R(000)	R(000)
Income from Investments	670	691	1 043
Sundry Revenue less expenditure	57	26	49
Net surplus on Sale of Investments	51	134	136
Surplus on Sale of Fixed Assets	263	—	461
	1 041	851	1 689
From which must be deducted:			
Directors' Fees	3	3	6
Amount written off investments	—	—	125
	3	3	131
Profit before taxation	1 038	848	1 558
Normal taxation	—	44	77
PROFIT AFTER TAXATION	1 038	804	1 481
Unappropriated profit brought forward from previous year	40	71	71
Available	1 078	875	1 552

NOTES: 1. It should not be assumed that the results for the half year ended 30th June, 1971, will necessarily be repeated in the half year ending 31st December, 1971, since at present approximately two-thirds of income from investments accrues during the first half of the year and profits and losses on realisation of investments are subject to wide variations.

2. The assets of the Company at 30th June, 1971 were, property R1 000 (nominal value), investments R11 763 000 (market value or directors' valuation R14 443 000) and debtors on extended terms plus net current assets, R2 298 000.

3. No provision has been made in the above half-yearly figures for the writing down of investments as this provision is calculated at the company's financial year-end and is related to market prices ruling at that date.

per pro. UNION CORPORATION (U.K.) LIMITED,
London Secretaries,
B. R. AUGARDE.

London Transfer Office:
Princes House,
95, Gresham Street,
LONDON, EC2V 7BS

26th July, 1971.

U.C. INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND

A dividend of 4 cents per share has been declared payable to members registered in the books of the company at the close of business on 6th August, 1971.

Dividend warrants will be posted from the Registered Office and London Transfer Office on or about 16th September, 1971.

The Register of Members will be closed from 9th to 13th August, 1971, inclusive.

The dividend is payable subject to conditions which can be inspected at the Registered Office or London Transfer Office of the Company.

HALF YEARLY STATEMENT

The unaudited accounts for the six months ended 30th June, 1971, and the comparative figures for 1970, show:—

	January to June 1971	January to June 1970	Year 1970
	R(000)	R(000)	R(000)
Dividends and interest from investments	1 674	1 704	3 291
Realised profit on investments	381	1	104
Sundry Revenue	55	14	28
	2 110	1 719	3 423
From which must be deducted:			
Sundry expenditure, including administration expenses	52	36	74
Directors' Fees	15	15	30
Amount written off investments and Public Authority Securities	—	—	375
Interest Paid	47	49	99
	114	100	578
Profit before taxation	1 996	1 619	2 845
Taxation	148	—	—
PROFIT AFTER TAXATION	1 848	1 619	2 845
Unappropriated profit brought forward from previous year	289	284	284
Available	2 137	1 903	3 129

NOTES: 1. It should not be assumed that the results for the half year ended 30th June, 1971 will necessarily be repeated in the half year ending 31st December, 1971, since income from investments does not accrue evenly throughout the year and profits and losses on realisation of investments are subject to wide variations.

2. The assets of the Company at 30th June, 1971 were, property and prospecting expenditure R1 032 000, investments R27 802 000 (market value or directors' valuation R41 822 000), current assets less current liabilities and long term loan R453 000.

3. No provision has been made in the above half-yearly figures for the writing down of investments as this provision is calculated at the company's financial year-end and is related to market prices ruling at that date.

per pro. UNION CORPORATION (U.K.) LIMITED,
London Secretaries,
B. R. AUGARDE.

London Transfer Office:
Princes House,
95, Gresham Street,
LONDON, EC2V 7BS

26th July, 1971.

INVERESK PAPER

The Inveresk Paper Company Limited and subsidiary companies

ANNOUNCEMENT OF INTERIM RESULTS

The Directors of The Inveresk Paper Company Limited announce the following unaudited figures of the operating results of the Group for the 24 weeks ended 12th June, 1971:—

	UNAUDITED 24 Weeks ended 12th June 1971 £,000	24 Weeks ended 13th June 1970 £,000
External sales	9,897	11,662
Trading Loss/(Profit) before taxation but after crediting or charging the items shown in Note below	367	(439)
Share of Loss/(Profit) before taxation of British Tissues Limited	115	(114)
	482	(553)
Exceptional items:		
Profit on sale of shares in Georgia-Pacific Corporation	(306)	—
Share of agreed settlement of claim against Louisiana Forest Products Corporation and relevant expenses	166	—
Loss/(Profit) before taxation	342	(553)
Note:		
Income: Interest & dividends	23	68
Charges: Depreciation	207	270
Loan Stock Interest	30	31
Bank Interest	53	36

Head Office & London Sales Office, Clan House, 19 Tudor Street, London, EC4Y 0BA

clan

Papers and Boards by Inveresk

Packaging

FINANCIAL TIMES SURVEY

Some gloom, some optimism

By MICHAEL RYAN

When Joe Bloggs got the 16 er cent. rise negotiated for him his union some months ago, e discovered that after tax he ad about £4 a week extra. He ecided to set aside £2 a week r a package holiday for the amily, a further £1 just seemed disappear in increases in ares, rates and fuel bills. He ave his wife 25p extra for the ousekeeping, and the remaing 75p he kept as spending oney, which meant that it nished up as beer, cigarettes, n occasional bottle of wine or n the horses.

After a few months his wife iscovered that the additional 5p a week was not sufficient cover the increase in the prices of food and household oods, but being a resourceful oman she found that by buying resh vegetables instead of anned or frozen, and by making few other economies among ackaged goods, she was able make ends meet. She was elped in this by the mild inter and the fact that fresh egetables were available in bundance. It was also true, hough she was not aware of e fact, that she was seeing ewer advertisements for packged goods.

The changes in the Bloggs amily's pattern of expenditure it certain sections of the packging industry hard. In 1970, or the first time on record, ales of tinplate cans went down n volume (fewer cans of vegetbles in Mrs. B's basket) as did aperboard boxes and cartons nd cellulose film. Nor has the first half of 1971 been any better. Expenditure on packaged food has not kept pace with inflation, though expenditure on beer, wine, cigarettes, foreign travel and gambling have risen.

Fortunately for the packaging industry, it is not a case of gloom all round. Plastics, packaging and aerosols continue to expand at a rapid rate, while steady progress is made by glass containers, fibreboard cases, aluminium foil and closures.

Statistical review

The most comprehensive statistics on packaging are provided in a report to appear shortly—A Statistical Review of the U.K. Packaging Industry—written by Rowena Mills, an economist, and published by PIRA, the Research Association for the paper, packaging and allied trades. All figures in this article are taken from the PIRA report.

During 1970, expenditure on packaging materials and containers amounted to about £900m., as against just over £800m. in 1969. This increase of about 12 per cent. was due more to inflation than to a genuine expansion of output.

The most widely used packaging material is still paper and board by a considerable margin, accounting for about 38 per cent. of all packaging sales, followed by tinplate containers (20 per cent.), plastics (13 per cent.), glass (9 per cent.), cellulose film (4 per cent.) and aluminium foil (3 per cent.).

The figures for volume of production shown in the table give a truer indication of rates of expansion than the value figures. Nevertheless, even volume figures can be presented in different ways so as to show different things. For instance, the figures for aerosol production, given in units, conceal the fact that there has been a trend towards larger pack sizes, and this is one reason why the expansion in value is greater than the expansion in volume. Conversely, the expansion of the glass container industry would look more modest if the volume figures were given by weight rather than by number of containers. The reason is that improvements in design and manufacture have led to a progressive lightening of bottles and jars, with resultant economies to glass container users. Much the same is true of fibreboard cases, which explains why PIRA have presented the volume figures for this sector of packaging by area rather than by weight.

During 1970 prices rose in virtually all sectors as a result of increases in wages and raw material costs, notably steel and wood pulp. Fuel costs also rose dramatically. As a result price increases ranged from about 5 to around 10 per cent. PIRA concludes that 1970 was a bad year for the packaging industry in that it did not achieve its usual high rate of growth. Nevertheless, it did, on average, do far better than industry as a whole.

In the first half of 1971, levels of performance have probably proved worse than 1970, but there should be some improvement in the last quarter. During 1971, production of plastic packaging is expected to rise 15 per cent., aerosols 14 per cent., glass containers 2½ per cent., fibreboard cases 3½ per cent., and closures 4 per cent. Tinplate should show a recovery while demand for steel drums, cellulose film, aluminium foil and paperboard cartons will probably be fairly static. Prices are expected to rise slightly less than they did in 1970. PIRA takes an optimistic view of 1972, forecasting that the bulk of the industry will renew its upward trends.

ESTIMATED SALES OF PACKAGING MATERIALS BY VOLUME

	Unit	1967	1968	1969	1970
Aerosols	million	176.9	221.0	253.0	304.0
Glass containers	million	5,199.0	5,652.0	5,865.0	6,243.0
Plastic materials	'000 tons	195.0	241.0	300.0	360.0
Aluminium foil	'000 tons	24.6	29.8	32.1	33.9
Tinplate	'000 tons	783.0	826.0	882.0	854.0
Paper wrappings	'000 tons	832.4	895.5	984.4	1,021.7
Paper bags and carrier bags	'000 tons	143.0	146.0	144.0	n.a.
Paper sacks	million	n.a.	n.a.	1,000.0	1,000.0
Steel drums new	million	n.a.	n.a.	35.5	35.5
Steel drums reconditioned	million	n.a.	n.a.	4.5.	4.5
Collapsible tubes	million	n.a.	n.a.	665.0	665.0
Cellulose film	'000 tons	n.a.	76.5	79.5	75.8
Fibreboard packing cases	'000 metres^2	1,827.0	2,069.0	2,200.0	2,245.0
Closures	million	n.a.	12,457.0	13,508.0	14,069.0
Paperboard boxes and cartons	'000 tons	659.0	711.0	728.0	720.0

Source : PIRA

Litter problem

What, it is increasingly being asked, is going to happen to this growing amount of packaging after it has been used? In America there has been some extremist talk about banning the use of non-returnable containers in order to reduce litter. Some packaging materials—paper and tinplate—do eventually decompose when exposed to the elements, but glass and aluminium will not do so. The same is largely true of plastics, although additives can be incorporated in many plastics to enable them to be broken down by the action of the ultra-violet rays in sunlight. However, as these additives also reduce the shelf-life of the packs, it is understandable they are not popular with packaging manufacturers or users.

But litter is really no more than garbage in the wrong place and the problem of litter can only be solved by education, adequate provision, and emptying, of litterbins and by legislation. These are not packaging problems.

But even if consumers disposed of their used packages in the proper manner, what does the local authority do with the growing content of packaging waste in the garbage? PVC, for instance, presents enormous problems in incineration because the effluent is corrosive.

Some packaging materials, glass, aluminium and paper can be re-cycled. Indeed, waste paper is an important raw material in the manufacture of fibreboard cases. Glass can be re-used as cullet—a necessary ingredient in glassmaking—and aluminium scrap has a market value: Though the fact that materials can be salvaged and re-cycled does not necessarily mean that it is economically viable for local authorities to do so.

Given the present state of knowledge it is not a practicable proposition to recycle tinplate or plastics: and in the future, the re-cycling of packaging waste is likely to become more of a problem as packages increasingly employ combinations of materials, like tinplate cans with aluminium easy-open ends or paper and plastics laminations.

But the one thing that cannot happen is that the clock is put back so that no disposable packages are used. That would be a sure formula for economic disaster.

ESTIMATED SALES OF PACKAGING MATERIALS BY VALUE (£m.)

	1967	1968	1969	1970
Tinplate containers	137.0	145.0	161.0	180.0
Paperboard boxes and cartons	100.0	112.0	122.0	133.0
Fibreboard packing cases	97.0	114.0	127.0	142.0
Plastic materials	61.0	76.0	90.0	120.0
Glass containers	61.4	67.7	74.6	83.3
Aerosols	13.3	16.6	19.0	24.0
Paper bags and carrier bags	25.0	26.0	27.0	29.0
Paper sacks	n.a.	n.a.	39.0	42.0
Steel drums new	n.a.	n.a.	30.0	33.0
Steel drums reconditioned	n.a.	n.a.	3.5	3.7
Cellulose film	31.6	35.0	37.0	36.0
Aluminium foil	n.a.	n.a.	n.a.	30.0
Collapsible tubes	n.a.	n.a.	n.a.	7.0
Jute bags	n.a.	n.a.	n.a.	20.0
Wooden containers	n.a.	n.a.	n.a.	23.0

Source: PIRA

Market has its problems

By KENNETH GOODING

One of the major problems for anyone studying the U.K. packaging industry with an eye open for investment prospects is that there are some companies which account for a large part of their particular part of the industry and yet cannot truly be termed "packaging" concerns.

The examples are numerous. Distillers Company is likely to remain more popular for its Scotch whisky interests and the growth expected from them rather than because it controls United Glass, which makes about one in every three glass containers produced in Britain. For Reed International, with its papermaking and newspaper interests, packaging last year accounted for only 18 per cent. of total sales—but that represented a packaging turnover of £90m. A similar situation exists with Bowater Paper Corporation, with packaging interests contributing 17 per cent. of the £313m. sales.

Another company which is a leader in its particular sector of the packaging market and yet does not like to be described only as a "packaging" group is Venesta International. This company is the largest maker of collapsible metal tubes (for toothpaste, cosmetics and so on) in Europe but describes itself as a "marketing and management oriented industrial group with special interests in the fields of construction materials, which are wood and plastic based, graphics and packaging."

On the other hand, Airfix Industries, best known for its toy construction kits and household bits and pieces, makes no secret of the potential it sees for its three-year-old packaging business. It already has a £1m. turnover in plastic trays for food—many going to suppliers of Marks and Spencer—and has just introduced what it claims is a cheaper and more attractive yoghurt pot, which has already secured some large customers.

There are, of course, a number of U.K. companies whose interests are in packaging and nothing but packaging. To the forefront of these is Metal Box Company which controls about 75 per cent. of the U.K. market for cans and aerosols. About 80 per cent. of the company's £229m. turnover is accounted for by metal containers with the balance split between paper and plastic packaging and packaging machinery.

Metal Box has for some time now been a favourite with those stockbrokers who take some interest in the packaging field. For example, Panmure Gordon said in a recent circular "the real argument for Metal Box is based on the anticipated performance over the next few years when following on the recent considerable increase in capacity the company will be able to tak

Continued on next page.

PACKAGING II

High growth rate in flexible films

By T. E. TEBBATT, Editor, Packaging Review

For the past 15 years, flexible films, a materials group that embraces cellulose and a dozen or more plastics films, have been top among the packaging industry's growth leaders. Even by comparison with the outstanding average levels recorded by the packaging industry as a whole, growth rates in flexibles have been extremely high, and more significant, perhaps, they seem to be maintaining their level of growth at a time when, as a result of the U.K.'s poor economic climate, the packaging industry in general has been depressed. This year the value of the total market for flexibles can be put at around £70m.

Much of the growth during the late 1950s and throughout the 1960s has come from the advances made by the plastics films, which, through their special combination of properties, have opened up completely new areas of application. At the same time, and this is a trend that is gaining momentum, they have replaced traditional packaging materials, for example papers and board, in many fields.

Low density

Last year, sales of cellulose film (invariably referred to as "Cellophane" by all outside the packaging industry) were about 50,000 tons and thus it is second only to low density polyethylene (LDPE) as the most commonly used transparent packaging film. Compared with low density polyethylene, growth rates have been steady rather than spectacular and there are now certain indications that growth has slackened over the past 12 months. To what extent this is the result of the general economic situation which has so effected the sale of many convenience foods and other packaged goods, and how much to increasing competition from plastics, time alone will tell.

That the cellulose film manufacturing industry has been able to fend off the threat of the newer plastics material to such an extent owes much to the development of new grades and to the versatility of the manufacturing process in the way that it allows properties to be tailored to match the requirements of a particular application. This means that cellulose film can be used to wrap or overwrap a tremendously diverse range of products from fresh meat to cigars and from pre-cooked meat pies to biscuits. Among the new products that have come as a result of an intensive development programme undertaken by British Cellophane Ltd., Britain's largest manufacturers, are Paniphane, a micro-perforated film for crusty bread wrapping, and a metallised product based on their copolymer coated MXXT/A film. The metallised film is extremely decorative—golds and silvers can be produced—and in many areas it is directly competitive with aluminium foil or foil-based composites. Expected soon from this same company are a new film for use on form-fill-seal machines and a new super-barrier film with excellent machinability. BCL's confidence in the future of cellulose film is underlined by their plans announced early this year for a new 2000 ton/year plant for film manufacture and greatly increased capacity for coating MXXT/A.

Polypropylene film—biaxially oriented to give improved physical, mechanical and barrier properties, and commonly referred to as OPP film—was developed as a direct replacement for cellulose film and it is as such that it is best known to-day. U.K. sales in 1970 were 8,500 tons (equivalent on a weight for weight basis to about 14,000 tons of cellulose) and at that level were more than 30 per cent. up on the previous year. Largest U.K. manufacturer is ICI Plastics Division, whose capacity with that of its associates will reach 15,000 tons by the end of this year.

The main markets for OPP film are potato crisps and snack foods; biscuits, where the material is already used on more than 30 per cent. of foil-wrapped packs; and cigarettes. Compared with cellulose film, OPP is difficult to print and the material's success in biscuit overwrapping, for example, owes much to the development of low-odour inks and the all round improvement in print quality.

At present the market is dominated by polymer-coated heat sealable OPP grades, but now there is growing interest in the newer, and reportedly cheaper, co-extruded products now becoming available in large quantities from Shorko Films Ltd., one of the BCL group of companies. Co-extruded films are composite structures in which the plies are extruded separately, but simultaneously, and bonded together while in the hot molten state. In the case of Shorko's Propophane SCC, the structure comprises a combination of PP and LDPE. The polyethylene layer imparts the characteristics required for heat sealing and thus the process eliminates the secondary coating operation normally associated with heat sealable OPP film. This new material is already being employed for over-wrapping small packs of biscuits and other single-portion snacks and its potential in bulk-wrapping cigarettes and in the over-wrapping of cakes and large biscuit packs is being actively investigated.

Increasing success

Also enjoying an increasing amount of success, with sales at 1,500 tons last year, is the other form of polypropylene film—the non-oriented variety. The major outlet for these films is in the wrapping of textiles, where the material's good optical properties give enhanced sales appeal, and as such they are directly competitive with both LPDE and cellulose films.

With sales currently running at around 130,000 tons/year and growing at an annual rate of 20 per cent., low-density polyethylene is far and away the most important of the flexible packaging films. Growth leaders in this rapidly expanding market are bags for pre-packing fresh products—a boom that has come with the trend towards the sale of vegetables through supermarkets—and shrink films.

Last year shrink wrappings took more than 12,000 tons of film—4,000 tons up on 1969—and all the indications are that a similar increase will be seen this year. Pallet wrapping of such products as bricks and empty glass bottles and jars in transit and storage is taking an increasing quantity of heavy gauge shrink film, but the real scope, for expansion is in transit packs for canned, cartonned and bottled foodstuffs, where shrink wrapped packs are replacing corrugated fibreboard cases.

In the long term there can be no doubt that the market with the greatest potential for polyethylene is paper replacement. In this field it is the high density (HDPE) type that has the brightest prospects, for in film form its characteristics in terms of crispness and "feel" closely resemble those of paper. When first introduced some three years ago, prime targets for the film were seen as the markets held by tissue and greaseproof papers—products that include butters and fats and such items as fresh cut flowers and wet fish. Now, however, it is as a replacement for the white paper bag as used on the shop counter or at the supermarket checkout point that HDPE films are attracting most attention. The increasing availability of purpose-built production machinery and converting equipment must spur growth, as must the new forms of film that are appearing. One of the latest of these is a material with tear characteristics just like paper.

While PVC has been used for numerous packaging applications for many years it is only in the past two or three that it has made any real mark as a transparent flexible film. Currently, business is booming, with sales doubling to around 4,000 tons in 1970.

The reason for this is the rapid swing to the supermarket selling of pre-packed fruits and pre-cut fresh meat joints. In both instances the pack takes the form of a simple tray with a tight, tough overwrap of PVC shrink, cling or stretch film. The reason for the choice of PVC is not hard to find, for, at its price, it is the only material that can be tailored to meet particular requirements, especially as regards its barrier properties.

Market's problems—(Cont'd.)

Continued from previous page

full advantage of a combination of accelerated growth in turnover and substantial improvement in margins."

In spite of recent difficult trading conditions, the brokers have not changed their minds. Panmure Gordon point to the very rapid expansion of the market for cans for soft drinks and beer and to the fact that only a massive onslaught on the U.K. market by the U.S. can-makers would be likely to shift Metal Box's market share. They consider that any U.S. group hoping to make profits in the U.K. must grab at least 25 per cent. of the market—a tall order when you are up against the service, distribution and research and development offered by Metal Box.

Laurie Milbank believes the next two or three years will show the major growth for Metal Box coming from overseas and they guess that half of the group profits could be coming from interests outside the U.K. in a very short time. This would not do much for the "quality" of Metal Box's earnings, as its overseas interests—apart from those in South Africa—tend to be in areas not noted for their stability, India, Malaysia and Thailand in Asia as well as Tanzania, Nigeria and Kenya.

Hair shampoo being put into cartons at Reckitt and Colman's factory at Sunnydale, Derbyshire.

The big question-mark overseas for Metal Box is Europe, particularly since Britain is on the threshold of the Common Market. A scheme for Metal Box to set up a joint company with Continental Can Co. of the U.S. was more or less put paid to by the EEC's version of the Monopolies Commission. Metal Box has had links with Continental Can for many years, manufacturing machines under licence from the U.S. group, and also paying for know-how. Part of the arrangement with Continental Can apparently precludes direct competition between the two companies, and this might well provide some sort of obstacle to a go-it-alone effort by Metal Box in Europe.

Merger logic

While the brokers remain friendly to Metal Box they tend to go cool when talking about Rockware Group, another "pure" packaging concern and one which provides about a third of Britain's glass containers. Six years ago Rockware accounted for only 12 per cent. of the market and it reasoned that if the research and development needed to keep glass in the packaging race was to be properly financed then the industry needed rationalising—and fast. Rockware was able to convince Garston Bottle and Forster's Glass of the logic and mergers with these two were quite friendly. A battle developed with Jackson Brothers (of Knottingley), however, before Rockware took it into the fold.

Investment experts believe that Rockware presents a good short-term recovery prospect, particularly after a management restructuring exercise by the new chairman Mr. Peter Parker, who joined the goup last October when his appointment as chairman of the proposed National Ports Council failed to materialise after the new Government abandoned the scheme.

But the long term prospects do not seem to be so good. Laurie Milbank point out that the one-trip bottle has not proved to be the runaway success hoped for it, that small bottles can be replaced by plastic, while milk bottles—Rockware makes many of these—could make way for cartons.

For someone willing to put his money into glass containers, the brokers feel the best bet would be Beatson Clark, which makes bottles and caps mainly for pharmaceutical, chemical, toilet and perfumery products, and which, since it went public in 1967, has shown consistent ability to push up profits.

Among the most underrated of the "pure" packaging concerns is Metal Closures, which is headed by the ebullient Mr. Keith Erskine, who seems as concerned to keep Metal Closures out of the public eye as to bring attention to his Securicor business. Closures makes collapsible tubes and metal closures, and its seals called "Pilferproof" and "Flavor-Lok" have been great successes. Its prospects are not tied up too much with the U.K. market for bottles, which could become static according to some analysts because it has considerable overseas sales for its products. Closures tends to stick to a few products it knows best, and these include another growth area in the John Dale plastic crate business. Closures has doubled its profits since 1967 and no doubt the company's willingness to get out and meet its overseas customers at very short notice has had a lot to do with its success.

Cross-breed

Among the other public companies which offer the investor a chance to take a view on the future of the packaging industry are Dickinson Robinson Group, formed from the 1966 merger of John Dickinson and E. S. and A. Robinson. This could be classed with the cross-breed companies because it has big paper interests and yet, through its conversion business where it makes paper bags and products such as Sellotape, it is also heavily involved in packaging.

Tillotson and Son has printing and newspaper publishing offshoots (Bolton Evening News and nine weeklies) but is mainly concerned with the production of paperboard cartons for the tobacco companies and grocery chains and packaging systems.

Howard Tenens Services makes packing cases, timber pallets and so on but is about to join the cross-bred companies through a merger with the Willenhall Motor Radiator Co., which will boost its work for the motor manufacturers.

There are also Capseals, makers of plastic packaging, Wm. Dolan, corrugated fibreboard manufacturers and converters and Mono Containers, Europe's largest maker of disposable plastic cups.

PACKAGING III

Machinery makers look to Europe

By JOHN BUCK

Innovations in packaging machinery are not always the result of sheer inventive genius. Very often they evolve as a natural consequence of the need to handle new kinds of packaging materials — or in response to new merchandising or distribution methods.

Marketing trends affecting packaged goods can have a decisive influence on whether or not a new packaging system is successful. But despite the fact that equipment developed for one market cannot always easily be transplanted into another, most manufacturers rely on export sales for a large part of their turnover.

Home demand for packaging machinery in recent years has been fairly static. Although total production in the U.K. increased from £26.8m. in 1966 to £32.3m. last year, the value of British-made packaging machinery sold to users in the U.K. actually declined.

Exports, on the other hand, have increased substantially from about one-third to more than one-half of total U.K. production. Last year, nearly £19m. worth of British packaging equipment was sold abroad.

Against this achievement must be weighed the fact that imports have increased by almost the same proportion, from £7.1m. in 1966 to £14.8m. in 1970. This represents about half the total home market for packaging machinery, whereas five years ago foreign suppliers sent in less than one-third of Britain's packaging machinery needs.

Export success

Our most spectacular export success has been in Western Germany, whose intake of British packaging equipment leapt from under £1m. in 1965 to more than £3m. in 1970.

Exports to Germany alone now nearly match the total exports to the Commonwealth countries, which formerly constituted the most important market group outside the U.K. Indeed, sales to the EEC countries as a whole have now overtaken exports to the Commonwealth and the Republic of South Africa. Part of the credit for this is no doubt due to regular participation by British firms in various Continental exhibitions and notably in Düsseldorf's gigantic Interpack exhibition.

Despite these burgeoning sales the U.K. still takes more packaging machinery from Germany than is exported to it. British exports to the U.S., amounting to £1.2m. last year, continued to be heavily unbalanced by imports of £3.5m. Further additions to the debit column came from Switzerland and Italy, whose exports to Britain have rocketed over the past five years.

Smaller share

So although the Commonwealth and South Africa now account for a smaller share of our export trade than hitherto, they are still important and expanding markets which play a crucial role in tipping the balance between imports and exports.

With a few exceptions, most British packaging machinery manufacturers are relatively small concerns, each specialising in a fairly narrow range of equipment. Within their chosen range, many of them are highly successful in meeting the challenge of overseas competition. But although exports play an important part in the economy of the industry, British machinery manufacturers still need the stimulus of a responsive home market to aid the development of new ideas. Where this stimulus is lacking, overseas competitiors can often stride ahead with new techniques, leaving the British manufacturers lagging behind.

Although Britain was one of the first countries to design a machine for in-plant fabrication of PVC bottles for foodstuffs, the idea has met with far greater success abroad than it has in this country. To a large extent this has probably been due to confusion in the U.K. about the toxicity or otherwise of PVC additives. Meanwhile, foreign machinery manufacturers have had the benefit of a more receptive domestic climate in which to perfect the techniques involved.

Similarly, the development of disposable packaging systems for milk has also been left almost entirely to foreign machinery manufacturers. The reason is simply that in the U.K. the returnable glass bottle is still the cheapest container for daily doorstep delivery. On the Continent, where the pattern of retail distribution is different and bottle costs are often higher, there has been a much greater incentive towards the development of disposable packaging systems. British achievements in this field have been directed chiefly at the simpler, low-cost equipment designed for dairies serving retail markets where bottle losses are high. This, by and large, means for sales through self-service stores, canteens, caravan sites and similar outlets.

One of the most significant new techniques for which British manufacturers can take a large share of the credit is shrink-wrapping. The advent of new types of shrinkable film has been matched over the past decade by the development of British-made shrink-wrapping machinery catering for a full range of uses—from the collating and multi-packaging of jars, cans or cartons to the wrapping of complete pallet loads.

While new ideas are being explored all the time, progress is also being made in the design of the more conventional cartoning, wrapping and bottling equipment. Here the emphasis is generally on cutting costs by reducing labour requirements and increasing machine speeds. Unfortunately, machine speed can very often be increased only at the expense of adaptability. So where a wide range of different pack sizes has to be handled, it may be preferable to use several fairly slow machines rather than try to make frequent size changes on a single high-speed unit.

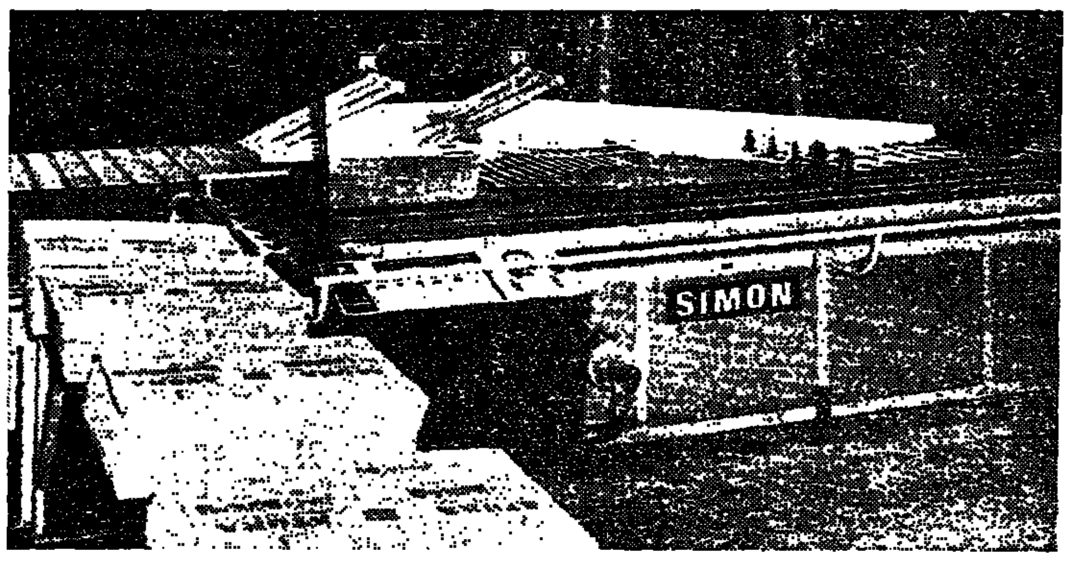
Highly critical

Another problem with to-day's high-speed equipment is that it can produce waste and spoilage at a frightening rate if anything goes wrong. Packaging material specifications therefore become highly critical, so much so that the need for real co-operation between machinery supplier and packaging material supplier is now often of vital significance. Indeed, it is the rule rather than the exception that all major developments in packaging machinery depend for their success on the close involvement of a raw material supplier or converter.

Already many of the major companies supplying cartons, cans, foil and flexible packaging materials have an interest, either direct or through licensing arrangements, in the production or sale of packaging machinery. This kind of involvement seems destined to become of increasing importance to both sides in the future.

Reflation should boost paper & board demand

By HAROLD BOLTER, Industrial Correspondent



A Simon counter collector machine in operation at the works of Chambers Packaging Ltd., Winsford, Cheshire

Paper and board still account for nearly 50 per cent. of the total U.K. packaging market, worth about £1,000m. a year, despite the intrusion of alternative materials. The industry can be expected to maintain its share of a market which should expand rapidly as a result of the reflationary measures introduced by the Chancellor last week.

Purchase tax and hire-purchase reductions at the level brought in by the Government can be expected to work through fairly quickly in increased sales of packaging products, which have a significant part to play in selling as well as protection.

Although paper and board sales in the packaging field have not been growing as fast as materials used in aerosols—where advances have been most rapid—or plastics, it is important to remember that they still have the soundest base.

As such they are in a strong position to benefit not only from the general expansion of the economy now expected but also from the continuing movement to more sophisticated containers and wrappings.

In tonnage terms, U.K. consumption of carton and box board has fallen over the last two years—from 964,000 tons in 1969 to 931,000 tons in 1970. Before Mr. Barber gave the industry a boost it appeared that there would be a further decline this year, to 920,000 tons.

Part of this fall can be attributed to a massive destocking operation, which has been carried out by converters. But part of it has been caused by the constant attempt by the paper and board industry to improve its packaging products.

When the industry raised its prices by up to 10 per cent. earlier this year it was quick to point out that it had made considerable efforts to improve efficiency in packaging, through the introduction of space utilisation advisory schemes and systems for reducing handling and intermediary packaging costs. All of these measures have had the effect of making it possible for the industry's customers to use less paper and board to carry out a given packaging task, effectively reducing their costs.

In addition, through its development of the use of plastics in association, particularly with board, it has tended to lessen the amount of board actually used in some forms of packaging.

Statistics show that competition from overseas producers has not been a particularly important factor in the small decline which has taken place in U.K. board consumption for packaging, despite the progressive reduction of tariffs.

In 1958, when the U.K. industry had the advantage of full tariff protection, imports of carton and box board, used in the packaging of such products as frozen foods and cigarettes, accounted for 28 per cent. of British consumption.

In 1967, when tariffs were removed within the European Free Trade Area, theoretically permitting even stronger Scandinavian competition, imports actually fell to only 17.5 per cent. of total demand and last year they were down to 16.8 per cent.

Imports have only risen in the case of caseboard, used in packing cases, mainly because of growing sales of the kraft liner used as the outer and inner material for caseboard.

There is an implied threat, however, from the 25 per cent. increase in board production capacity which has been carried out by Swedish and Finnish producers since the start of this year and, to a lesser extent, the expansion carried out by German manufacturers.

It remains to be seen whether the Scandinavians, in particular, will try to recover some of their former share of the U.K. market by offloading surplus production here.

Despite fears in this direction, it is significant that U.K. board producers have gone out of their way in the last few months to dissociate themselves from the complaint made by their counterparts in the paper sector about the pricing policies of the Scandinavians.

Indeed, the feeling of some British board producers, is that if the industry's customers are led to believe that there is no long-term future for board manufacture in Britain, because of unfair competition, customers in packaging may switch to alternative materials.

The board industry is much less exposed to the sort of pressures complained of by paper makers, through Scandinavian producers raising the price of pulp more rapidly than the price of finished papers sold in the U.K. market.

Waste paper is the board industry's main raw material. Imported pulp accounts for between 20 and 30 per cent. of the industry's raw material requirements.

Although there may be further erosion of the U.K. market for bulk grades of board by overseas competitors, the industry is convinced that it can carry out a continuous process of up-grading its products within the packaging area—and improve its profits record by this form of concentration.

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Dizzy innovation n plastics

By A. E. BLAKE

lastics' great gift to packag- has been to make it interest-. Before the polythene era dboard boxes, paper bags glass jars changed so little the years that packers had put most of their creative l not into perfecting the kage but decorating it.

ckaging to-day is a fast- ing technology because tics make possible a con- ous improvement in con- ers. The competition of tics with "traditional" erials of packaging is exag- ted. The typical package is omplex of materials. If tics sometimes replace paper inplate or glass they will at r times provide the coating liner that enables any of e materials to compete with rest. Most of the newer lopments in plastics pack- g are designed to compete so much with paper, glass metals as with other tics.

Price advantage

e most significant example this inter-polymer competi- is the prospect of low- sity polythene losing to poly- ylene the price advantage h has given it dominance in packaging films market. either of the two types of propylene film at present lable is cheap enough to ace polythene for ordinary and wrappings. Casting, ooling the film as it comes a slot die against a water- ed roll, produces brilliantly r film, but it is more expen- than the high-output, low- p blowing (tubular) process its product lacks some ngth transversely to the hine direction.

stronger, improved material roduced by stretching a lar film during manufac- which induces molecular ntation. This is the process hich four-fifths of the poly- ylene film used in this try is produced, but the of production, as well as need for coating the film lacquer to make it heat- able, limits it to the expen- end of the film market, where cellulose film sets the standard.

The new tubular processes promise a third type of polypropylene film combining clarity with cheapness. The two most advanced of these processes are the Japanese Kawata process, now being offered in Europe, and Shell's TQ (Tubular Quench) process.

Both the Kawata and Shell TQ processes need further development to achieve perfect uniformity of thickness, so the film produced will probably be used at first for bag-making. But the equipment is not costly and operates economically on quite a moderate throughput, giving film makers the chance to nibble at the most profitable of polythene's markets. Several production lines have been delivered by Shell's first licensees, Bielloni of Italy, and their second, Melville Plastics Engineering of Scotland, are soon to demonstrate their first unit.

The competition that is building up in containers of the cup and tub variety is, again, competition between polymers, for polystyrene long ago chased the waxed paper cup into an obscure corner of the market. One development of the last twelve months has been the challenge to injection moulding from two systems of fabricating the container from two components, one a framework produced by injection moulding or thermoforming and the other a wall or body which, being applied from the reel, can be printed in the flat to higher standards than cups decorated after assuming their conical shape.

The introduction two years ago of soft margarine demanded the use of a container more suitable than a greaseproof or laminated foil wrapper. The lidded tub chosen for the purpose was a major factor in the big increase that has taken place in the sales of polyvinyl chloride.

This year there has been a new challenger in acrylonitrile-butadiene-styrene (abs), from which tubs have been both injection moulded and thermoformed. Its resistance to attack by fats is almost as good as pvc's and much better than that of high impact polystyrene. Abs is not weakened by cold storage, as pvc is, and it is attractively glossy.

The past year or two has brought into prominence another approach called co-extrusion, which means the production of composite films by extruding two or more polymers simultaneously into the die head so that they bond together while still semi-molten. This achieves in one operation what had formerly to be done by bonding one film to another with adhesives, heat and pressure, or by applying coatings to the substrate film, each application requiring the unreeling and re-reeling of rolls of film at high speed.

Triple laminated

Equipment to produce triple laminated film was shown by Egan at a Chicago exhibition and their British agents believe that film manufacturers over here will not boggle at a price of £20,000 for the die and £15,000 for three extruders.

Three-layer 100-gauge films have already been produced in the U.S. by coextrusion, and there is talk of films of ten or more layers, many of the layers being so thin that the composite film will be no thicker than 50-gauge, that is, 0.0005 inch.

When market conditions again favour investment in new food processing projects there is going to be a drive to convince food manufacturers that the "plastics can," or pouch for foods that have to be sterilised by heat, is now a commercial proposition. Its claim to conserve food quality better than canning is plausible (if oxygen exclusion is complete), for the flat pouch requires shorter process times.

RWP Flexible Packaging, the subsidiary that reverted to Dickinson Robinson Group's sole control after the recent dissolution of the alliance with ICI, spend about £200,000 a year on research, and some of it has helped to work out, with the Fruit and Vegetable Preservation Research Association at Chipping Campden, a technique of sterilising foods in laminated pouches which RWP are convinced is now reliable and safe.

At the moment, however, the demand for heat-resistant plastics comes from the catering branch of the food industry, in expectation of a boom in "volume feeding," with meals cooked and frozen for heating in convection and microwave ovens and serving in schools, hospitals, canteens and even restaurants. Aluminium foil is the material favoured, so far, for containers exposed to maximum cooking temperatures up to 480°F (about 250°C), but several plastics would be unaffected by the much lower heats at which most dishes are cooked or reheated in microwave ovens.

Sterling Moulding Materials have produced a high-impact polystyrene graft polymer for this purpose, which has a softening point above 100°C—well over the temperature of a microwave oven if not of the local "hot spots" that may occur.

Now a remarkable claim has been made for a heat-resisting container made of melamine, significantly not a thermoplastic material but a thermosetting one. Its development at English initiative and with German engineering co-operation has to be credited to the Swedish plastics firm of Perstorp.

Perstorp's grade of melamine has the flow characteristics that permit thin-walled containers to be injection moulded, and an automatic system of producing them is advanced enough to justify the Dickinson Robinson Group's taking up the British and Commonwealth licence. It is claimed that the containers will withstand temperatures up to 450°F (232°C) for 20 minutes. The containers will be handicapped by a price double that of aluminium foil, but they will have the gloss and appearance that have already made melamine an acceptable substitute for china in tableware; caterers may therefore be able to serve the meal in the same container in which it is cooked, frozen and reheated.

The pace of technical change can be too fast for commercial comfort, and this may well explain the hesitancy of dairymen, brewers and soft drink manufacturers to adopt plastics bottles as part of a combined forming and filling operation. It was confusing enough when they were invited to produce their own bottles by blow moulding, for there are 90 or so makes of machine on offer. But having been half convinced that they could master enough plastics technology to mix polythene of two densities and run a blow moulding plant, they had to decide whether to adopt one of the systems in which bottles are filled while they are in the mould, whether the newer injection-blow moulding method might not be better, and then to evaluate the merits of a parison stretching process like Orbet or Corpoplast for blowing bottles capable of withstanding carbonation pressure. And would the saving in polymer extruded pay for one of those electronic marvels like the Cole-Hunkar parison programmer, which regulates the thickness of the bottle wall while the plastics mass is still hot and fluid?

With this exercise unfinished, they were sent back to square one by Brown Machine's argument that much lighter and therefore cheaper bottles could be produced by thermoforming them in two sections from polystyrene and then joining the sections by the heat of friction produced by spin-welding.

Wide choice

At this stage some member of a dairy board would be sure to point out that they could save even more material and therefore money by discarding bottles altogether for bags or pouches of laminated film—provided they could decide which of several systems to adopt.

Is it surprising that, dizzy with so much innovation, most packers of liquid products still shy off an investment which may become obsolete before the plant is installed? Glass bottle prices may rise with depressing frequency, but no one asks the packer to put in a furnace and a lehr. It could be that bottlers will start taking a real interest in plastics when the plastics technologists lose interest in bottles.

Cans break into new markets

By KEN GOFTON

Will the can opener ever be redundant? The answer is not as obvious as it might seem. In the U.S., West Germany, France and the U.K., companies are quietly test marketing easy-open food cans, a development which could have considerable significance in the packaging world over the next few years. The engineering problems, it is accepted, are considerable in designing and mass-producing a can with a top which can be pulled off, complete, by the consumer—and will only come off in those circumstances and not when the can is accidentally dropped on the supermarket floor. Yet the rewards, if it can be made to work satisfactorily, could also be considerable. Beer and soft drinks in cans received a tremendous sales fillip with the introduction of "pop top" easy-open ends.

One hardly looks for a revolution in canning. Like paper bags and glass bottles, it is a form of packaging that has been around for so long that it is almost taken for granted. Even so, there has been a steady growth of 5 to 7 per cent. a year. Metal Box calculates that the U.K. produces something like 8,000m. cans a year (including 300m. aerosol packs), worth possibly £112m. The products which are thought suitable for canning also evolve slowly. Sales of tinned fish have apparently been in decline since the last war, but garden peas was a growth product until comparatively recently. The glamour that goes with growth now attaches itself to ready meals, meat products, new potatoes and mushrooms.

Perhaps the most sparkling performance of all has come from beer and soft drinks. Sales of beer are estimated to have risen from about 200m. cans in 1965 to about 600m. this year, with a forecast of 900m. for 1975. With soft drinks, the growth has been almost parallel. This is the area—beer and soft drinks—which has seen some of the most interesting technical developments in canning.

The impetus for these developments has come largely from the marketing pressures in the U.S., and to some extent in Japan. Much of it can be traced to the decision of the aluminium companies to grab a share of the colossal U.S. market for canned drinks. Allegations about prices are always difficult to pin down, but let us say that the steel industry was surprised at how keenly the aluminium cans were priced, bearing in mind the normal disparity between the two metals.

Second rolling

First counter-blow was the introduction of double-reduced tinplate. The idea here is to roll the metal a second time to a thinner gauge. For example, 0.0097 in. is a popular conventional gauge, while 0.0066 in. is a common thickness in double-reduced. The extra working gives the tinplate extra rigidity, making it very suitable for drinks cans, which are packed under pressure, though not for large food cans packed under vacuum. In an ideal world, the outcome ought to be lower costs for the can maker (since he is using less metal) and better profits for the steelmaker (if he has calculated his pricings intelligently).

Be that as it may, aluminium cans continued to make progress in the U.S. The next step, therefore, was the introduction of "tin-free" cans. These, using steel which has been chrome-plated and chemically processed, were first developed in Japan a decade ago, primarily because tinplate there was disproportionately expensive. "Tin-free" cans cannot be soldered along the seam in conventional style, but ways have been found round that problem: Continental Can, for instance, has its "Conoweld" technique, and American Can has "Miraseam," which uses nylon. "Tin-free" cans have succeeded, as has double-reduced tinplate, in getting a good share of this particular market in the U.S. However, observers from this side of the Atlantic take a sceptical view of the prices being quoted for "tin-free" materials.

In the U.K., both techniques are in use. All beer and soft drink cans here are now in double-reduced tinplate, and it is beginning to penetrate the market for small cans, such as pet foods. "Tin-free" material is a rather different matter. The British Steel Corporation has one line for its "tin-free" product, which it calls "Hi-Top," and it is not overloaded. Customers say that the BSC is pricing "Hi-Top" realistically, which means that the economic case for switching to "tin-free" is not as clear cut as it is in the U.S.

Ardent advocate

The most ardent advocate for "tin-free" cans in the U.K. is likely to be Reads, a subsidiary of American Can, which is currently building a factory for the production of "Miraseam." The BSC itself sees the main markets for "tin-free" material here as being for paint cans, beverage cans, and "some food can ends where the economics justify the change."

One other technique is worth singling out. Aluminium cans (which have not yet made a serious challenge for the U.K. market) are seamless. They are made by "ironing" the can walls: a thickish disc is drawn into the shape of a shallow container, redrawn to a deeper shape and then forced through dies. The end product is a seamless can, the walls being roughly half the thickness of the base. Tinplate cans made by this method have begun to appear in the U.S. and may offer the best hope of beating off the aluminium challenge, in spite of the very high capital cost involved in setting up a plant. In the U.K., Tube Investments has begun pilot production of one-piece aerosol containers using this technique, under the brand name "Metal-Flo."

Most of the developments described in this article, it must be stressed, have particular relevance to the beer and soft drinks market. As yet, the market in this country has not been turned into a battleground between steel and aluminium interests, but that might yet come: the all-aluminium can is already established in the U.S., West Germany, Japan, and Australia. On the horizon, who knows? In Sweden, beer is being sold in plastic containers, and Pepsi-Cola and Coca-Cola in the U.S. are both test-marketing plastic bottles. This would seem to be an area of the packaging market where competition is going to remain particularly lively.

WALL STREET + OVERSEAS MARKETS

Declines in majority: slow trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 26.

RATHER AIMLESS conditions continued on Wall Street to-day, when the trading volume dipped to the second lowest point of the year.

The Dow Jones Industrial Average finished 1.09 up at 888.87 but the NYSE All Common Index lost 17 cents to $54.65, while declines outnumbered gains by 850 to 486. Volume sharply decreased by 2.44m. shares to 9.93m.—the previous lowest volume was the 9.81m. shares traded on June 28.

The Stock Market could not climb out of its almost Summer long slump brought about by the uncertain vigour of the economy; continuing apprehension over inflation, against which Federal Reserve chairman, Dr. Arthur Burns, on Friday say "very little progress."

Blue Chips generally outperformed the market.

Despite an agreement with striking workers, Copper issues failed to attract any interest. **Anaconda** lost $½ to $18½. Kennecott remained unchanged at $31½, while Newmont Mining eased $¼ to $33½.

Steels drifted downwards as industry observers began to accept the inevitability of a strike on Friday when contracts expire. Already struck, Bliss and Laughlin dipped $½ to $21¾, as did **Jones and Laughlin** to $11¼. **Bethlehem** gave way $¾ to $12¾ and U.S. Steel shed $½ to $31. Analysts noted the strike has been pretty much written off by most investors. Otherwise the decline would have been more precipitous.

In the Aerospace sector, **McDonnell Douglas** were lowered $½ to $31½, apparently on the twin effects of the "Save Lockheed" Bill and lower demand for the DC-10 Airbus. **Lockheed,** however, lost $½ to $12½ while still hanging on a Congressional decision for its $250m. loan guarantee. **Boeing** shed $¼ to $17½, following second-quarter net earnings of 66 (60) cents per share and predicted lower earnings for the rest of the year due to lower commercial aircraft production. **General Electric,** however, declined $¾ to $54¾, still feeling the effects of lower orders for its jet engine division which caused a lay-off of 7,000 workers.

"Glamour" issues, which enjoyed a brief run-up last week, slackened to-day as investors stuck to their defensive positions. **Bausch and Lomb** slid $2½ to $139½. **IBM** gave way $2½ to $296¾ following a trade journal report suggesting that another price cut in peripheral equipment is in the offing. IBM would not comment on the price report. **RCA,** which has a troubled computer division, lost $¾ to $33½.

Xerox edged up $¼ to $116½ but **Polaroid** slipped $¼ to $106¼. **Avon** further declined $3 to $96¼—earnings and projected earnings failed to inspire investors. **Disney** lost $¾ to $107.

Airlines generally tended downwards. **Pan American,** the most active issue, eased $¼ to $12¼ on its second quarter loss and $200m. shareholder suit challenging discount youth fares. **Braniff,** also on the active list, shed $½ to $10⅞. **TWA** firmed $⅛ to $25¼, still reflecting its improved second quarter profits.

Leasco, about the only issue showing life on the active list, gained $½ to $21½.

The American SE Index was down 6 cents to $25.38 in a volume of 2.54m. (2.78m.) shares.

Beverley Enterprises improved to $12½ on a first half profit compared with a loss in the prior period.

Gilbert-Flexi-Van rose $½ to $27½ on its projected higher second quarter earnings.

OTHER MARKETS

Canada holds firm

Canadian Stock Markets held generally firm in light trading yesterday. Industrials, Utilities, Banks and Papers were all better, but Golds, Base Metals and Western Oils eased.

McIntyre Porcupine Mines were lifted $2½, **Great West Life Assurance** added $1¼, **Phillips Cables** rose $1⅛, while **Falconbridge Nickel** and **Distillers Seagrams** each gained $1.

Electrohome dropped $1⅜.

PARIS—Firm after an easier opening, with **Rhone Pulenc,** up Frs.5, leading the market higher. Chemicals, Motors, Rubbers, Banks, Financials and Investment Companies were all better.

Oils were hesitant and Electricals mixed.

Le Nickel eased Frs.1.1 on the absence of progress in ending the strike in New Caledonia.

In Foreign stocks, Americans and Belgians were firm, while Dutch issues were resistant.

Germans generally firm.

BRUSSELS—Market was quietly firm. **Gevaert, Solvay, Cie Lambert** and **Hoboken** each advanced while **Sofina, Union Miniere, Katanga, Cockerill** and **Wagons-Lits** were barely changed.

Arbed and **Acec** each lost ground.

Golds were narrowly irregular, Dutch issues steady, Germans tended higher while French stocks were about unchanged.

GERMANY — Markets were quietly firm. **Deutsche Bank** rose DM2.5 and **Commerzbank** gained DM3.7, while **Berliner Handelsgesellschaft Frankfurtr Bank** advanced DM8. But **Hoechst** and **Badische Analin** each eased slightly. **Volkswagen** put on DM4 but **BMW** lost DM1.5.

Bonds were mixed.

AMSTERDAM—In Planatations, **Amsterdam Rubber** firmed on speculative demand. Shippings were up on local buying, while local Industrials were extremely quiet. But **Oce-Van der Grinten** further declined Fl.5. Leading Banks firmed, Investment Funds were steady, Insurances mixed.

Dutch State Loans also were mixed.

Internationals were narrowly irregular.

MILAN—Generally higher in light trading. **Fiat** and **Finsider** each advanced in generally firmer Industrial leaders. Quicksilvers were lower: Insurances tended firmer, with **Assicurazioni Generali** gaining lire 110.

Bonds were well disposed.

STOCKHOLM—Generally maintained.

SWITZERLAND — Narrowly irregular, with small losses in the majority. Trading was dull. Among Industrials, **Alusuisse** lost some ground while among Banks, **Bankverein** were lower. Financials were barely changed, except for a higher **Juvena-Holding.** In Insurances, **Rueckversicherung** met some demand.

State Bonds were quietly maintained.

Dollar stocks were generally well disposed. Among steady Dutch shares, **Royal Dutch** closed higher. Germans were narrowly mixed.

OSLO—Banks were steady, Industrials firmer, Insurances irregular and Shippings firm.

VIENNA—Quiet and virtually unchanged.

COPENHAGEN—Firmer in fairly active trading. Banks were generally unchanged, while Commercials were slightly higher.

JOHANNESBURG—Golds were easier, reflecting early lack of New York follow through and negligible London support. **Kloof** were dull following the report on its monthly profit figures. Financial Minings were mixed. Coppers, Platinums, other Base Metals were generally untested.

Banks and Collieries also were little changed.

TOKYO—Narrow movements in limited trading—140m. shares.

Dredgings and Constructions were firm, while some Foodstuffs also edged up.

Matsushita Electric Industrial advanced Yen 6 following a report on brisk sales of colour TV sets and summer electric appliances. Other Electricals were also higher.

Showa Oil moved up on speculative support, but some Pharmaceuticals, Motors and Machinery shares levelled off on profit-taking.

Among major losers were **Tokio Marine, Daikin, Nissan Motor** and **Honda Motor.**

AUSTRALIA — Mining shares lost ground in moderate trading. Oils were variable, while Industrials were easier.

Whim Creek shed 40 cents to $3.40, **Spargos** 10 cents at $1.30, while **Conwest** came back 4 cents to 78 cents. **Great Boulder** fell 7 cents to $1.85. **Associate Kathleen Investments** rose 10 cents to $7.90.

Selcast closed 10 cents higher at $1.66.

In Oils, **Woodside** improved 3 cents. **Oil Search** showed no reaction to the news of the abondonment of the Cicilia number one well.

BHP weakened 25 cents to $13.57. **Hungerford Hill** improved 15 cents at $2.40 on news of its expansion plans.

Indices

NEW YORK

DOW JONES AVERAGES

STANDARD AND POORS U.S. STOCK INDICES

AUSTRALIA

MELBOURNE YIELD INDICES

Leading Stocks	July 22	July 16	July 15
On Dividends	5.58	5.62	5.52
On Earnings	9.31	9.31	9.31

SYDNEY ALL ORD. INDEX

TOKYO

NEW SE INDEX

EUROPE

TORONTO

INDUSTRIAL INDEX

MONTREAL

INDUSTRIAL INDEX

COMBINED INDEX

JOHANNESBURG

MONEY + EXCHANGES

Loans at Bank Rate

Bank Rate 6% (April 1, 1971)

Credit was in short supply in the Discount market yesterday, and the six or seven houses were forced to share in a large loan from the Bank of England for one day at Bank Rate of 6 per cent., even after the authorities had bought a very large amount of Treasury bills, from banks and houses. A shortage was carried over by the banks from Friday, and there appeared to be a substantial net Treasury bill take-up to finance.

A rate of 5⅞ per cent. or 6 per cent. was bid commonly for day-to-day loans, with money arising from official purchases of bills from the banks being passed on widely at 5⅞ per cent. Even in the closing stages, there was no appreciable fall. Near 3-month Treasury bills were quoted for sale at 5⅝ per cent.

Sterling certificate yields were marginally firmer in some cases. A late sample of quotations gave the following range: 1-month and 2-month 6⅛-6 per cent., 3-month 6³⁄₁₆-6¹⁄₁₆ per cent., 6-month 6⁵⁄₁₆-6³⁄₁₆ per cent., 9-month 6⅝-6½ per cent., 12-month 6¹³⁄₁₆-6¹¹⁄₁₆ per cent., and 2-year 7⁵⁄₁₆-7³⁄₁₆ per cent.

In the inter-bank market, overnight loans commanded 5⅞-6 per cent. in the earlier part, and although some deals were reported in the morning at 5⅞ per cent., a level of 6-6¼ per cent. was reached in the later part. Month money was at 5¹⁵⁄₁₆-6⅛ per cent., 3-month 6¹⁄₁₆-6¼ per cent., 6-month 6⁵⁄₁₆-6⅜ per cent., 9-month 6½-6¹¹⁄₁₆ per cent., and 12-month 6⅝-6¹³⁄₁₆ per cent. First-class finance houses offered around 6¼-6⅜ per cent. for 3-month deposits, 6⅝-6¾ per cent. for 6-month, and 7½-7⅝ per cent. for 12-month.

Local authorities paid 6-6⅛ per cent. for loans at 2-days' or 7-days' notice. Month money was also at 6-6⅛ per cent., while 3-month was at 6⅛-6¼ per cent., and 6-month at 6⅜ per cent. One-year mortgages were quoted at 6⅞-7 per cent., and 2-year at 7¼-7⅜ per cent., with 3-year at 7⅞-8 per cent., 4-year 8-8⅛ per cent., and 5-year 8⅛-8⅜ per cent.

Local authority bond yields closed as follows: 1-month 6.25-5.98 per cent., 2-month 6.25-6.00 per cent., 3-month 6.28-6.10 per cent., 6-month 6.35-6.20 per cent., 9-month 6.45-6.28 per cent., and 12-month 6.55-6.35 per cent.

Loans Φ		Banks Bills Φ			Fine Trade Bills		
Day to-dy	Sh'st prds	2 & 3 mths	4 mths	6 mths	3 mths	4 mths	6 mths
4½-6	4½-6	5⅞-⁵⁄₁₆	5⁵⁄₁₆-⁷⁄₁₆	6¹⁄₁₆-½	7-7¼	7-7½	7¼-7½

Φ Rates at which discount houses take loans or buy bills respectively. Buying rates for Treasury bills in the Discount Market: two months 5¹⁷⁄₃₂ per cent., three months 5⁹⁄₁₆ per cent.

Finance House Base Rate published by the Finance Houses Association: 7 per cent. from July 1 (unchanged from June).

BULLION

Gold was around $41.55-41.75 an ounce in early dealings in London, but eased to $41.45 (£17.136) at the morning fixing, with some profit-taking affecting dealings. The fall attracted industrial buyers from the Continent, however, and the afternoon fixing was at $41.75 (£17.261), and the closing quotation at $41.70-41.90, for a net gain of 5 cents. A good turnover was seen. Gold coins were cheaper in a number of cases. New sovereigns fell 5 cents to $10.25-10.35, and old eased to $12.30-12.40, from Friday's $12.45-12.65. Double Eagles were $½ lower, at $65½-66½, and single $¼ lower, at $32-33. Half Eagles were unchanged at $27¼-28¼, but 20-mark piece fell $¼ to $24¾-25¾. In Zurich, gold ended at $41.70-41.85, as on Friday. In Paris, the 12½-kilogramme gold bar was reduced 6 cents an ounce at the noon fixing to $41.58, but rose 30 cents at the afternoon fixing to $41.88. The one kilogramme ingot gained 15 cents an ounce to $41.85. Turnover at the Bourse meeting was Frs.4m., compared with Friday's Frs.2.6m. Hong Kong lowered gold 1 U.S. cent to $42.64. Silver was fixed 0.3p an ounce lower all-round in London, with spot at 64.4p (155.8c.). A moderate business was done, with the spot price closing around the fixing level.

EXCHANGES

Sterling fell ¹⁄₃₂ cent against the U.S. dollar on balance in inter-bank dealings to $2.41¹³⁄₃₂. Conditions were fairly quiet, with demand for dollar deposits over the turn of the month causing a firmer tendency in short-term interest rates. The day-to-day swap which had been clearly in sterling's favour late last week, tended to move to a neutral position. The pound opened at about Friday evening's $2.41⅞, and was around $2.41⅜ for a time, but drifted downwards in the later stages. The 3-month discount on the pound narrowed ¹⁄₃₂ cent to ⁷⁄₁₆, the 6-month ¹⁄₃₂ to ¹³⁄₁₆, and the 12-month ⁵⁄₃₂ to 2¹⁷⁄₃₂. There was relatively little movement among leading Continental currencies. The German mark gained 3 points on the day against the dollar, at DM3.4637, while some Bank of France support appeared to be given to the dollar at the French official ceiling of Frs.8.31½.

FOREIGN EXCHANGES

OTHER MARKET RATES

FORWARD RATES

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES

OVERSEAS SHARE INFORMATION

Investment $ Premium 23% (24%)

NEW YORK

TORONTO

MONTREAL

GERMANY

PARIS

MILAN

AUSTRALIA

BRUSSELS

TOKYO

AMSTERDAM

SWITZERLAND

STOCKHOLM

JOHANNESBURG

OSLO

COPENHAGEN

VIENNA

STOCK EXCHANGE REPORT

..ate firmness in equity leaders after early hesitancy

..ndex ends 2.3 up at 408.0—Second-line features

..CCOUNT DEALING DATES

Option ..irst ..ings	Declara- tions	Last Dealings	Account Day
..y 12	July 22	July 23	Aug. 3
..y 26	Aug. 5	Aug. 6	Aug. 17
.. 9	Aug. 19	Aug. 20	Sept. 1

..ew time" dealings may take place ..5 p.m. three business days earlier.

..uity leaders made a fairly ..ht start to the new Account ..ch began yesterday. However, ..early buying was small and ..r the first hour's trading some ..es began to turn back from ..best to give an irregular ap..rance. The hesitancy prevailed ..il just before the close of the ..ge when the leaders made a ..ong move which left many of ..m at the best of the day. The ..ancial Times Industrial Ordi..y share index, only 0.6 higher ..45 p.m., closed with a net gain ..3 at 408.0.

..was a different story in ..nd-line equities which had ..y good features on Press com..t and bid situations. Cunard ..a star performer late, rising ..to 212p on news that Mr. ..well Joseph together with Mr. ..ald Forrester may stage a ..l offer to the Trafalgar House .. Boosey and Hawkes, a thin ..ket, leapt 51p to 210p in ..onse to Press comment. In ..rast, Doxford and Sunderland ..ped to 33p on adverse comment ..re ending at 43p, a net loss ..p.

..espite the activity in second.. issues, bargains marked at ..20 were well down on last ..day's 16,817. The ratio of ..s-to-falls in all F.T.-quoted ..strials was 5—2; last Friday .. were in a small majority. F.T.-Actuaries All-share index .. 0.8 per cent. to a new peak ..e compilation of 181.30; the ..ious peak was 180.97 recorded ..uary 31, 1969.

..ilts better

..fter last Friday's setback ..h followed adverse Press com..t, British Funds staged a ..nical rally yesterday. There .. not a lot of activity in ..iums and longs, but enough ..ing interest developed to help ..prices up generally by ¼ to ½. ..t-dated issues too, were rather ..ess and rarely changed, but Exchequer 6½ per cent., 1976, closed ¼ higher at 98¹⁄₁₆ xd. Corporations were firm in line with the main Funds, while Commonwealth stocks held steady in quiet trading.

In a small business, the premium on investment dollars fell 1 to 23 per cent. in the face of a few sellers in an unwilling market. After last Friday's jump of 35p on the smaller operating loss, Penn Central put on 5p more to a fresh peak for the year of 280p.

In New Issues, Kettering Motor improved 4p to 117p, while Press comment left Tower Assets a similar amount up at 32p.

Banks still strong

Home Banks continued to strengthen after last week's upsurge, but closed a few pence below the day's best. After last Friday's 41p spurt on the interim figures, Lloyds ended 5p firmer at 600p, after 604p. National Westminster, up 71p last week, ended 13p higher at 612p, after 620p, ahead of to-day's interim report. Barclays closed 11p better at 598p xd, after 602p xd. Bank of Scotland added 15p at 505p. Discounts were generally firm on Press comment, with Clive rising 25p to 605p.

Breweries tended easier on lack of support. Bass gave up 3½p at 127½p and Guinness eased 2p to 161p. Truman Hanbury held steady at 416p pending further news on the bid situation. Elsewhere, A. B. Maltsters gained 6½p to 78p on Press comment.

In firm Buildings, Bovis improved 6p to 182p, while Press comment helped Mixconcrete, 8p up at 90p, W. and J. Glossop, 4p higher at 70p, and Tilbury Contracting, similarly harder at 160p. Eldon R. Gorst responded to the interim results and profits forecast with a gain of 7½p at 117½p. Turriff Construction, however, fell 6p to 62p.

ICI, following a reasonable day's business, ended 3p up at 318p, Hickson and Welch were a prominent firm spot at 393p xd, up 10½p.

After Press comment, Anglia TV "A" were 6p higher at 106p.

Leading Electricals only managed minimal improvements during a poor day's trading, but there were many good features among the smaller issues. Westinghouse Brake showed satisfaction with the interim results and advanced to 268p, before ending at 266p, up 25p on the day, while Best and May, in response to the higher dividend and profits, appreciated 7½p to 64½p. Thorn closed 16½p higher at 407p ex dividend, after 411p xd, still reflecting the cheering results. Pifco issues were stimulated by favourable Press comment and the "A" finished 38p firmer at 323p. News of Unitech's intention to negotiate bid terms for Pantiya lifted the latter to 34p, before a close of 31p, up 5p on balance.

Leading Stores continued to make progress. "Gussies" "A" added 5p more at 433p, while Marks and Spencer put on 4½p to 305p, ex the 50 per cent. scrip issue, both influenced by Press comment. D. Perkins were prominent at 225p, up 27p, while J. Collett, still reflecting the chairman's statement, rose 5p to 66p, after 68p. Abern Services (formerly Andre Bernard) improved 6p to 45p following Press comment. In Mail Orders, Halwins rose 5p more to 275p, still on an investment recommendation, while Freemans (London) stood out at 155p, up 12p.

C. W. Pittard, responded to Press comment with a gain of 4p to 69p, while J. White, 35p, and Norvic, 50p, had rises of 3½p and 6p respectively.

Alfred Herbert provided one of the main features in Engineers, reacting to 46½p on the interim statement, but rallying on bear closing to end only ½p off on balance at 52p. By contrast, Anderson Mavor were a good market, rising to 75p in front of the results and improving further to close at 89p, up 17p, on them. Down to 33p on adverse Press comment about the company's finances, Doxford and Sunderland recovered to finish 7p off on balance at 43p following the chairman's remarks that the report was inaccurate and misleading speculation. Gains ranging from 7p to 10p occurred in Kent Castings, 81½p, Fairey, 210p, Babcock and Wilcox, 282p, Brockhouse, 212p, and Walmsley Bury, 104p. Hampson Industries responded to Press comment with a rise of 6p to 40p. In the leaders, Tube Investments were outstanding at 446p, up 21p.

Boosey & Hawkes good

Favourable Press comment prompted a rise of 51p to 210p in a limited market in Boosey and Hawkes. Others to reflect Press comment included Myson, 8½p higher at 152p, Aaronson, 9p better at 302p, Macarthy's Pharmaceuticals, 4p up at 90p, and Venesta, 2½p to the good at 22p. Smiths Industries were outstanding with a rise of 17p to 180p, while Lancaster Carpets were also notable, gaining 13p to 252p. Still on the bid situation, Miles Redfern advanced 9p more to 115p. De la Rue continued in demand and rose 7p more to 249p, while Hoover "A" improved 10p further to 480p. LRC responded to the results with a rise of 6p to 129p. "Mams" moved up 7p to 129p and Rank Organisation "A" put on 26½p to 873p xd. Further news of the redundancies caused a fall of 3p to 115p in International Computers.

Bovril jumped 19p to 390p, after 393p, on hopes of another bid from Cavenham Foods, which closed a shade lower at 99p xd; Rowntree Mackintosh were 5p lower at 504p. Allied Suppliers rose 10p to 256p, while similar improvements were seen in Lockwoods, 140p, and Peak Winch and Tod, 104p, the latter in response to Press comment.

Following Press comment on the interim results and Boardroom dispute, Trust Houses Forte came back to 112p, but rallied to close at 120p, down only 3p on balance. Also dull were J. Lyons "A," 5p off at 503p, and Savoy "A," 15p lower at 320p. In contrast, Curzon House gained 16p to 210p. Following news that talks were taking place which might lead to a bid, Allied Vintners remained unchanged at 21p, while Golden Egg, the potential bidder, were 3p to the good at 118p.

Motors had a number of strong features, but stock shortage played a large part in the good gains. Triplex Holdings jumped 17p to 157p in response to Press comment. J. Lucas met renewed demand and rose 12p to 268p, helped by news that the RB-211 engine is now in production. Dowty moved smartly ahead to 115p in front of the results, but eased back late to close only 6p up on balance at 109p on news that the company propose to raise fresh finance, probably by way of a "rights" offer in convertible loan stock. British Leyland ended 1½p higher at 46½p, while a gain of 3p to 149p was seen in Dunlop. York Trailer continued to respond to last week's good interim figures and gained 3p more to 140p. Garages were quieter, but still firm.

Reed International hardened 3p further to 214p in firm Papers, while others to record new 1971 "highs" included Peter Dixon, 7p up at 155p, and Brunning Group, 6p better at 84p. Inveresk, on the other hand, eased ½p to 24½p on the half-year figures. Among Newspapers, Home Counties stood out with a jump of 12p to 55p in a thin market.

In firm Properties, Land Securities put on 2p to 185p on the higher-than-forecast profits and dividend. Apex gained 4p to 51p and Peachey rose 5p more to 92p. Grand Junction improved 6p to 136p in response to Press comment, while similar gains were seen in Sovereign Securities, 81p, and Beaumont Properties, 105p. The Board dispute and news that the requisitioned extraordinary meeting is convened for September 3 left Raglan ½p lower at 11½p.

Shell active

Leading Oils were firm all day but apart from Shell, which ended 7p up at 417p, after 418p, in the course of a big turnover, business was generally modest. BP, up 2p at 618p, and Burmah, 6p better at 463p, both ended a couple of pence below the day's best. Outside the leaders, Ultramar attracted support and gained 5p to 290p, after 292p, while Anglo Ecuadorian put on 4p to 62p on some U.S. support and, helped by Press comment, Premier gained 1½p to 15p.

Rothschild Investment were outstandingly better in Trusts at 462p ex dividend, up 16p, while London and Provincial closed 9p firmer at 176p. Drakes made further good progress in Financials, ending 13p higher at 184p, while Jessel Securities gained 10p to 268p and Neville Group 6p to 78p.

Cunard good late

A fair day's business in leading Shippings left prices often higher. Cunard featured in the "after-hours" dealings; fairly actively traded around the 202p level for most of the day, the shares shot ahead late to 212p, up 12p on the day, on a report that Mr. Maxwell Joseph and Mr. Donald Forrester (both Cunard directors who have been buying Cunard shares to thwart Trafalgar House's current bid of 200p) could, if necessary, form a syndicate to make a counter-offer. There was some good buying of Furness Withy, which left them 22p up at 306p, after 313p, while P & O Deferred added 4p at 168p and "Lofs" 5p at 59p. Common Brothers were quoted at 114p, in new 50p form ex the 50p return of capital.

In Textiles, a good two-way business took place in Courtaulds, which ended 1p better at 131p. Tomkinsons were notable for a fresh rise of 5p at 100p, but Qualitex shed 4p to 39½p after Press comment.

Helped by a broker's circular, "Bats" were outstanding in Tobaccos at 390p, up 12p. A reasonable two-way business in "Imps" left the price a shade lower at 93 xd, but Gallaher gained 2p to 139p following Press comment on the interim results.

Whim Creek revive

A sharp recovery of 24p to 194p in Whim Creek reflected a revival of Irish speculative interest in front of the pending progress report from the Australian exploration company. Westfield Minerals gained 4p to 88p.

Of the Agnew nickel prospect partners, Selection Trust fell 15p to 725p and CAST were 5p down at 235p after 232p but Selcast gained 5p to 85p.

Poseidon improved £1 to £11 on consideration of the possible implications of the neighbouring Windarra nickel find made by the U.S. Union Oil, Homestake, Hanna trio.

New Broken Hill weakened 10p to a new low for the year of 405p while North Broken Hill eased slightly to 75p on the latter's fall in operating profits.

Gold shares ended above the day's lowest levels helped by renewed firmness in the free market metal price, although trading continued at a low ebb. Kloof fell 7p to 236p following the estimate of the effect the continuing fire at the mine will have on profits.

Among Financials, Lonrho rose 3p to 82p in front of the interim dividend which is due to-morrow. Platinum issues were unaffected by the rise in the free market price of the metal but "Johnnies" added ¼ at £16¾.

Weakness in Canada and a lack of buying interest here took another 25p from Tara Exploration at 750p.

FINANCIAL TIMES STOCK INDICES

—	July 26	July 23	July 22	July 21	July 20	July 19	A Year ago
Government Sec.	74.61	74.39	74.99	74.97	74.83	75.44	69.84
Fixed Interest	74.26	74.14	74.52	74.54	74.53	74.75	71.32
Industrial Ordinary*	408.0	405.7	405.7	404.4	408.9	413.1	342.1
Gold Mines	54.7	54.7	53.9	53.2	53.3	53.5	49.8
Ord. Div. Yield pc	3.71	3.80	3.80	3.81	3.77	3.74	4.90
Earnings Yield pc (a)	5.76	5.89	5.90	5.88	5.81	5.77	6.70
P/E Ratio (a)	17.36	16.97	16.95	17.01	17.21	17.33	14.92
Dealings Marked	14,220	12,680	13,653	14,022	15,909	16,817	8,297

*10.00 a.m. 406.6 Noon 406.8 2.45 p.m. 406.3

(a) Based on 40% corporation tax from March 30, 1971. Latest Index 01-246 8026

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	75.74 (16/7/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/8/69)
Ind. Ord.	413.1 (19/7/71)	305.3 (3/3/71)	521.9 (19/9/68)	49.4 (26/6/40)
Gold Mines	61.3 (19/3/71)	52.3 (9/7/71)	100.0 (12/9/55)	44.0 (13/1/70)

S.E. ACTIVITY

—	July 26	July 23
Daily—		
Gilt-Edged	221.6	186.5
Industrials	517.6	456.8
Speculative	183.1	204.5
Totals	323.7	286.5
5-day ave.—		
Gilt-Edged	194.6	196.7
Industrials	524.4	548.1
Speculative	179.1	176.9
Totals	320.4	332.3

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. ‡ Corrected figure.

..JTHORISED UNIT TRUSTS (p★★★)

§ Yield %

(g) Abacus Management
..all Mall, Manchester 2. (061) 832 5027

(a) (b) (c) Equity & Law Un. Tr. M.
Amersham Rd., High Wycombe, Bucks.

(a) Mallet & Wedderburn Ltd.
82, Lombard Street, E.C.3. 01-626 1091

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, E.C.2. 01-588 4000

OFFSHORE AND OVERSEAS FUNDS (p★★★)

§ Yield %

Albany Management Co. Ltd.
Utility Hs. PO Box 463, Hamilton, Bermuda

Albany Fund Ltd.	£4.91	£5.30	......	1.00

American Express Inv. Mngmt. Co.
154, Edward St., Brighton, U.K. BRL 885411

Am.Ep'ss. Int Fd.	$9.14	9.73	......	—

Anchusa Co. Ltd.
P.O. Box 195, Hamilton, Bermuda.

Japan Gr'wthFnd	US$9.78	10.85	......	—
Do. Do. Stg.Tst.	90.0	96.0	......	—

Australian Selection Fund N.V.
Lond. Agent Southern Cross Mgmnt., Ltd.
65, London Wall, E.C.2. 01-638 0801

U.S. $10 Shares	US$7.00	......	—

Next subscription day July 29.

Banque de L'Union Parisiènne
6-8, Bld. Haussmann, Paris 9e.

Tokyo Valour	$12.22	......	—

July 21, 1971. Div. 50.3 per share.

§ Yield %

Investors Diversified Services
Bertigny 9, Fribourg C.H. Tel. 2-25-201.

CARIBICO N.V.	$10.46	+0.07	—

Jardine Fleming & Co. Ltd.
22, Pedder Street, Hong Kong.

JardineEast'n Fd†	HK$121.83	......	3.28

† NAV June 30. Next sub. day July 30.

Jardine Japan F...	HK$148.04	......	1.36

* NAV June 30. Equiv. U.S.$24.43. Ex3Pm.
Next sub. day July 30.

Kleinwort Benson Ldn. Agents
30, Fenchurch Street, E.C.2. 01-626 1531

*EMIFSA	$9.87		......	—
*Burinvest Lux. F	969	1019	......	2.42
†Guernsey Inc.	44.5	48.2	......	2.77
† Do. Accum.	46.7	50.6	......	—
*Interitalia Lira	7,232	7,904	......	4.64
*Intertec Sw. F.	54.24	56.70	-0.06	3.37
*KB Internat'l Fd.	$11.55		......	1.29

§ Yield %

Save & Prosper Distributors Ltd.
P.O. Box 1434, Hamilton, Bermuda.

*Dollar Fund	$5.10	5.57	+0.03	—
Hampstead	£6.74	7.37	-0.01	—
†Monitor	£4.66	5.09	......	—
S. & P. J. J. P.	US$13.47	14.72	-0.10	—
*Sterling Fund	£4.29	4.69	-0.01	—

Prices on July 26. Next dealing Aug. 2.
†Prices on July 21. Next dealing July 27.

J. Henry Schroder Wagg & Co. Ltd
120, Cheapside, E.C.2. 01-588 4000

Amer. Inv. July 21	$14.03	-0.01	2.13
Ch'pside$Fd July 22	$12.35	+0.01	—
Trafalgar (June 30)	$117.11	......	0.43

Security & Prosperity FD Dst. S.A.
P.O. Box 515, Zurich 8027, Switzerland.

*Sepro	$9.92	10.84	......	—

*Prices on July 21. Next dealing July 28.

Shamrock Unit Fund Ireland Ltd.
69-71, St. Stephen's Green, Dublin 757971

Shamrock Ireland	55.7	58.7xd	+0.3	3.88

Shareholders Excalibur in Cp. S.A.
17, Boulevard Royal, Luxembourg.

INSURANCE, PROPERTY, BONDS

§ Yield %

STOCK EXCHANGE DEALINGS from the Official List for July 26

Monday, July 26	14,220	Thursday, July 22	13,653	Tuesday, July 20	15,909
Friday, July 23	12,580	Wednesday, July 21	14,022	Monday, July 19	16,817

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ф Bargains done previous day. * Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses after sectional names show number of stocks.

	Group	Monday, July 26, 1971 Index No.	Day's Change %	With 40% Corporation Tax: ††Est. Earnings yield %	††Est. Price/Earnings Ratio	Div. yield %	Friday July 23 Index No.	Thurs. July 22 Index No.	Wed. July 21 Index No.	Tues. July 20 Index No.	Year ago (approx.) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
1	CAPITAL GOODS GROUP (184)	156.01	+0.8	6.04	16.55	3.80	154.77	154.63	153.15	154.39	115.97	156.01 (26/7)	104.03 (2/3)	181.50 (19/9/68)	82.82 (25/6/68)
2	Aircraft and Components (3)	108.86	—0.1	7.52	13.30	5.73	108.94	110.03	108.94	109.27	94.55	110.03 (22/7)	66.40 (3/3)	280.12 (23/9/68)	66.40 (3/3/71)
3	Building Materials (29)	156.09	+0.1	4.94	20.23	3.46	156.01	156.64	155.90	157.46	99.23	157.52 (19/7)	98.30 (2/3)	167.98 (20/9/68)	85.01 (25/6/62)
4	Contracting and Construction (19)	225.19	+0.6	6.07	16.47	2.58	223.80	224.89	226.07	226.32	191.82	225.32 (20/7)	152.65 (26/3)	329.19 (31/1/69)	84.39 (27/6/62)
5	Elctrls. (ex. Elctrn. Rad. & TV) (13)	275.70	+1.4	5.07	19.72	2.98	271.88	268.95	264.45	269.67	190.00	275.70 (26/7)	174.23 (2/3)	336.11 (17/9/68)	84.71 (25/6/62)
6	Engineering (80)	147.40	+1.0	6.51	15.36	4.21	145.92	146.85	144.31	145.54	112.11	147.40 (26/7)	102.56 (2/3)	160.85 (19/9/68)	82.90 (25/6/62)
7	Machine Tools (15)	65.59	+0.9	7.56	13.23	6.20	65.02	65.09	64.59	64.82	63.80	65.59 (26/7)	43.86 (5/3)	136.70 (4/7/68)	43.86 (5/3/71)
8	Miscellaneous (25)	132.26	+1.0	7.85	12.73	4.56	131.00	130.67	129.03	127.52	111.75	132.26 (26/7)	94.19 (2/3)	144.27 (31/1/69)	69.01 (8/11/65)
9	CONSUMER GOODS (DURABLE) GROUP (56)	170.98	+1.4	5.17	19.36	3.02	168.63	167.33	164.79	166.20	131.23	170.98 (26/7)	117.33 (2/3)	197.87 (15/1/69)	79.96 (25/6/62)
10	Electronics, Radio and TV (14)	179.79	+2.2	5.64	17.74	2.44	175.99	172.69	172.46	173.31	145.98	179.79 (26/7)	128.51 (2/3)	199.86 (19/9/68)	71.10 (6/11/66)
11	Household Goods (15)	186.60	—0.1	6.21	16.10	3.55	186.81	186.43	185.98	186.20	122.60	186.81 (23/7)	115.92 (8/3)	186.81 (23/7/71)	86.65 (26/6/62)
12	Motors and Distributors (27)	118.02	+0.9	4.31	23.21	3.56	116.93	117.36	115.26	114.99	88.00	118.02 (26/7)	78.91 (2/3)	170.59 (15/1/69)	75.92 (24/10/62)
13	CONSUMER GOODS (NON-DURABLE) GROUP (175)	162.31	+0.1	5.52	18.12	3.76	162.16	162.42	160.91	163.25	116.74	154.68 (16/7)	118.17 (3/4)	164.68 (16/7/71)	83.71 (8/11/66)
14	Breweries (21)	179.82	—1.6	5.46	18.30	3.55	182.76	185.26	184.92	187.31	122.27	194.97 (16/7)	123.30 (4/1)	194.97 (15/7/71)	80.39 (30/6/66)
15	Wines and Spirits (7)	174.97	—1.0	5.96	16.77	4.00	176.65	178.76	174.91	180.86	143.35	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (15/6/70)
16	Entertainment and Catering (15)	202.86	—0.2	7.05	14.18	3.82	203.28	204.22	200.93	206.11	172.17	214.39 (16/7)	177.99 (3/3)	231.89 (31/1/69)	80.11 (25/7/62)
17	Food Manufacturing (24)	140.16	+0.3	5.73	17.44	3.92	139.71	139.95	138.95	141.40	102.61	141.52 (19/7)	99.74 (2/3)	171.54 (31/1/69)	95.98 (15/6/70)
18	Food Retailing (17)	136.35	+0.7	5.62	18.12	3.62	135.39	135.46	135.54	136.98	99.22	137.30 (19/7)	100.23 (2/3)	163.68 (7/8/68)	94.62 (27/5/70)
19	Newspapers and Publishing (15)	141.20	+1.1	6.08	16.45	5.02	139.68	138.28	138.64	137.78	106.21	141.20 (26/7)	101.66 (13/1)	184.86 (23/1/69)	81.74 (23/7/62)
20	Packaging and Paper (16)	118.42	+1.0	6.50	15.38	4.39	117.28	116.84	118.07	118.79	103.02	118.79 (20/7)	88.81 (2/3)	134.65 ([illegible])	87.91 (25/6/62)
21	Stores (30)	158.72	+0.9	4.29	23.29	2.93	157.23	156.39	154.53	156.68	100.78	158.72 (26/7)	104.48 (2/3)	158.72 (26/7/71)	72.74 (6/11/66)
22	Textiles (21)	174.04	+1.0	5.68	17.60	6.20	172.27	171.26	167.05	171.58	132.61	174.04 (26/7)	137.81 (2/3)	[illegible] (17/9/68)	89.90 (20/7/62)
23	Tobacco (3)	244.15	—1.5	8.72	11.46	5.45	247.82	249.86	247.41	244.68	194.64	252.21 (16/7)	170.92 (20/1)	306.02 (30/1/69)	94.34 (13/6/62)
24	Toys and Games (6)	49.76	—0.5	—	—	6.12	50.00	50.42	50.30	50.56	57.06	69.03 (12/1)	46.56 (25/6)	135.72 (16/1/70)	46.56 (26/6/71)
	OTHER GROUPS														
25	Chemicals (19)	189.71	+1.1	5.31	18.83	3.47	187.67	187.14	184.37	186.61	137.86	189.71 (26/7)	138.18 (10/2)	201.92 (31/1/69)	63.29 (26/6/62)
26	Office Equipment (10)	202.03	+0.8	3.46	28.89	1.48	200.41	199.85	200.10	205.66	126.54	212.05 (16/7)	155.52 (15/3)	212.05 (16/7/71)	109.12 (26/5/70)
27	Shipping (10)	314.68	+2.5	7.32	13.66	5.24	307.07	305.39	300.94	301.70	312.64	325.75 (1/4)	269.76 (16/4)	355.44 (8/10/70)	90.80 (29/6/62)
28	*Miscellaneous (unclassified) (44)*	188.15	+1.1	5.74	17.41	3.66	186.19	185.30	183.52	185.62	129.02	188.15 (26/7)	128.55 (2/3)	188.15 (26/7/71)	76.52 (8/11/66)
29	INDUSTRIAL GROUP (498 SHARES)	168.68	+0.6	5.54	18.04	3.60	167.65	167.47	165.76	167.82	—	168.68 (26/7)	120.61 (2/3)	168.68 (26/7/71)	120.61 (2/3/71)
30	Oil (2)	359.86	+1.2	5.63	17.78	3.48	355.50	354.77	353.63	354.90	250.10	362.16 (16/7)	260.74 (2/3)	431.66 (20/5/68)	87.23 (29/5/62)
31	500 SHARE INDEX	184.87	+0.7	5.56	18.00	3.58	183.56	183.34	181.67	183.68	133.58	184.87 (26/7)	132.46 (2/3)	193.73 (31/1/69)	84.86 (26/6/62)
32	FINANCIAL GROUP (121)	170.91	+1.1	—	—	2.75	169.11	169.23	169.64	171.67	108.88	171.67 (20/7)	119.73 (10/2)	171.67 (20/7/71)	69.38 (30/8/65)
33	Banks (6)	185.46	+4.1	7.44	13.44	2.69	178.11	176.59	178.61	181.11	98.76	185.46 (26/7)	101.65 (8/1)	185.46 (26/7/71)	69.25 (18/8/64)
34	Discount Houses (6)	174.19	+1.6	—	—	4.43	171.65	172.22	170.53	171.28	111.78	174.19 (26/7)	130.72 (6/1)	174.19 (26/7/71)	87.65 (15/6/69)
35	Hire Purchase (6)	254.52	—1.0	4.22	23.67	2.97	257.08	258.46	262.68	266.31	185.15	266.59 (19/7)	188.57 (18/1)	266.59 (19/7/71)	80.02 (5/8/65)
36	Insurance (Life) (9)	153.61	+0.4	—	—	2.82	153.03	153.74	152.76	154.86	119.02	155.17 (16/7)	123.16 (12/1)	159.83 (16/1/69)	61.35 (30/6/66)
37	Insurance (Composite) (9)	130.44	—0.2	—	—	3.27	130.75	131.76	132.01	134.07	79.09	134.07 (20/7)	89.80 (10/2)	154.07 (20/7/71)	54.40 (16/3/65)
38	Insurance (Brokers) (10)	176.49	—1.1	4.97	20.14	2.46	178.50	179.08	174.81	174.14	101.88	179.08 (22/7)	118.27 (4/1)	179.08 (22/7/71)	82.59 (24/7/69)
39	Investment Trusts (20)	196.55	+0.5	2.89	34.56	2.69	195.95	196.56	196.26	197.96	141.92	198.14 (16/7)	152.16 (2/3)	215.04 (31/1/69)	80.84 (26/6/62)
40	Merchant Banks, Issuing Houses (15)	168.06	+0.3	—	—	2.27	167.56	169.54	169.22	173.43	112.14	173.43 (20/7)	108.44 (16/3)	181.25 (14/2/69)	50.47 (13/7/60)
41	Property (31)	208.97	+0.8	2.76	36.22	2.18	207.34	207.66	207.06	207.86	134.88	208.97 (26/7)	139.37 (8/3)	208.97 (26/7/71)	56.01 (20/4/65)
42	Miscellaneous (9)	179.01	+1.2	5.73	17.46	4.13	176.95	176.73	176.86	178.93	—	179.01 (26/7)	120.73 (4/1)	179.01 (26/7/71)	120.06 (31/12/70)
43	ALL-SHARE INDEX (621 SHARES)	181.30	+0.8	—	—	3.39	179.86	179.75	178.58	180.59	127.41	181.30 (26/7)	129.47 (2/3)	181.30 (26/7/71)	85.72 (25/6/62)
	COMMODITY SHARE GROUPS (*Not included in the 500 or All-Share indices*)														
44	Rubbers (10)	203.84	—2.0	11.24	8.90	8.69	207.98	209.21	210.75	211.88	135.11	211.88 (20/7)	163.62 (7/4)	211.88 (20/7/71)	84.68 (26/8/65)
45	Teas (10)	88.19	—0.7	17.31	5.78	9.10	88.83	89.01	90.38	90.61	72.54	91.08 (15/7)	78.71 (3/3)	114.64 (14/6/64)	59.96 (14/11/66)
46	Coppers (4)	325.89	—0.4	54.81	1.82	15.26	325.18	334.90	338.50	343.88	282.60	350.50 (12/7)	235.90 (21/1)	350.50 (12/7/71)	94.08 (29/4/62)
47	Mining Finance (11)	105.17	—	5.38	18.57	3.25	105.12	105.30	103.37	104.55	122.23	106.79 (5/7)	96.00 (2/3)	175.90 (23/4/69)	95.00 (2/3/71)
48	Tins (8)	74.16	—	10.70	9.34	8.46	74.16	74.38	74.32	74.77	57.44	74.77 (20/7)	62.11 (4/1)	108.97 (29/6/65)	54.65 (27/5/70)

	FIXED INTEREST	Monday, July 26 Index No.	Yield %	Friday July 23	Thurs. July 22	Wed. July 21	Tues. July 20	Monday July 19	Friday July 16	Year ago (approx.)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	9.22	9.30	9.13	9.13	9.12	9.04	8.99	9.27	—	—	—	—
2	20-yr. Govt. Stocks (6)	78.74	‡8.27	78.52	79.25	79.15	79.05	80.08	80.68	72.96	80.68 (19/7)	70.60 (4/1)	115.42 (11/9/63)	68.45 (15/6/70)
3	20-yr. Red. Debentures & Loans (15)	72.17	‡10.25	72.31	72.37	72.42	72.43	72.44	72.40	68.42	72.44 (19/7)	68.42 (4/1)	113.45 (25/10/63)	66.59 (16/6/70)
4	Investment Trusts Prefs. (15)	68.95	10.70	69.23	69.23	69.23	69.23	69.23	68.51	70.34	69.38 (14/6)	66.23 (11/1)	114.41 (15/9/63)	66.23 (11/1/71)
5	Commercial and Industl. Prefs. (20)	74.11	10.42	74.15	74.20	74.33	74.21	74.16	73.76	74.39	74.33 (21/7)	69.02 (15/1)	114.41 ([illegible])	69.02 (15/1/71)

Section or Group	Base Date	Base Value
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	120.06
All Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

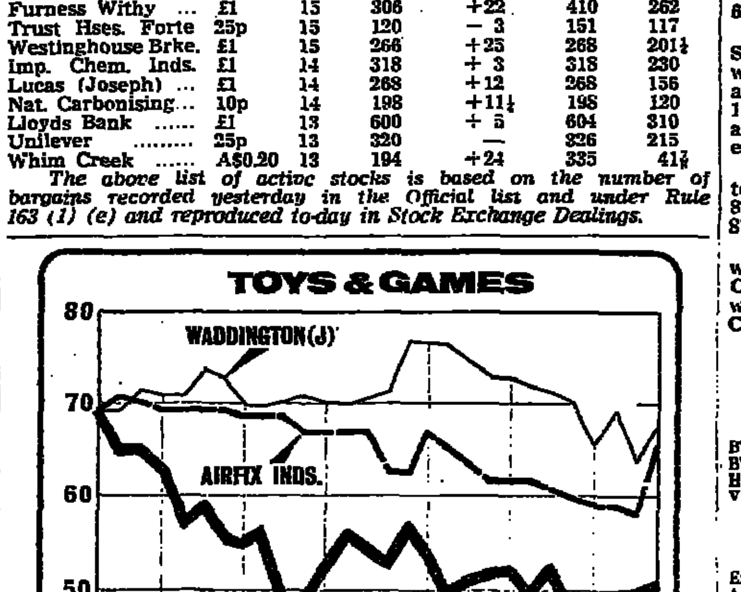
A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. *By post inland 16p. Commonwealth 16p. Foreign 19p.*

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No of marks	Closing price	Change on day	1971 high	1971 low
Natl. Westminster	£1	24	612	+13	620	323½
Thorn Electl. 'A'	25p	23	407	+16½	411	256
Shell Transport	25p	17	417	+ 7	425	327
Barclays Bank	£1	16	598	+11	602	327½
CAST	25p	16	235	— 5	273	87
Brit.-Am. Tobacco	25p	15	390	+12	391	265
Furness Withy	£1	15	306	+22	410	262
Trust Hses. Forte	25p	15	120	— 3	151	117
Westinghouse Brke.	£1	15	266	+25	268	201½
Imp. Chem. Inds.	£1	14	318	+ 3	318	230
Lucas (Joseph)	£1	14	268	+12	268	156
Nat. Carbonising	10p	14	198	+11½	198	120
Lloyds Bank	£1	13	600	+ 5	604	310
Unilever	25p	13	320	—	326	215
Whim Creek	A$0.20	13	194	+24	335	41⅞

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163 (1) (e) and reproduced to-day in Stock Exchange Dealings.



Recent poor results from the die-cast toy manufacturers have kept the F.T.-Actuaries share index for Toys and Games languishing in last place in our Leaders and Laggards table. Having touched a new "low" since compilation on June 25, the subsection has rallied a few points to currently show a fall of 24 per cent. since the start of the year. The sharp upturn in Airfix (charted above) in the latter half of this month reflects the chairman's forecast of "considerably improved" results in the current year.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

REGIONAL MARKETS

The new account commenced quite firmly yesterday, with a number of good improvements noted in the industrial sector.

On the Irish Exchange, Crowe Wilson at 74p and Glenabbey at 24p each shed 1p, P. J. Carrol eased 2p to 62p, but Williams "A" were quoted 4½p better at 82p.

On the Midlands and Western SE, DRG were up 6p at 152p, while Cadbury-Schweppes at 87½p and Bath Group at 39p each rose 1½p, but Ernest Ireland at 101p and F. J. Reeves at 46½p were each lowered 1p.

A. B. Electronics improved 6½p to 100p, while Kent Castings at 82p and Sovereign Securities at 81p were each lifted 6p.

Neville group put on 7p to 78½p while Bluemel Bros. at 76½p and Central Manufacturing at 60p were each 6½p better. Alfred Clough advanced 3p to 13p.

On the Northern Exchange, Eldon R. Gorst, improved 10p to 120p, Walmsley Bury put on another 4½p to 103p, Ward and Goldstone advanced 4p to 118p, as did A. Gunn to 138p, but E. J. Herbert shed 4p to 38½p.

Walter Runciman gained 5p to 225p. Qualitex eased 4½p to 40p and British Cotton and Wool Buyers shed 2½p to 22½p, but English Card Clothing rose 3p to 33p on the chairman's statement.

Scottish and Newcastle Breweries lost 3p to 426p, while Doxford and Sunderland were down 5p to 40p on adverse Press comment. Liverpool Grain Storage were marked up 15p to 110p.

Clover Croft and State were offered at 26p, as were Taylor and *Hartley at 15p, while Shiloh* Spinners were wanted at 13p.

On the Scottish SE, Babcock and Wilcox jumped 13p to 281p, Bank of Scotland advanced 10p *to 500p*, while Anderson Mavor moved up 9p to 82p following its results.

Prices in pence and denominations of 25p unless otherwise stated

BELFAST

B'fast [illegible]	[illegible]	......
B'fast Rope £1	77	......
Hughes (B) £1	150	......
Vulcanite	107½	......

IRISH EXCHANGE

Exch-6% [illegible]	[illegible]	......
Alliance Gas £1	98	......
Cement Road.	89	......
Cond'lkn Pr.	22½	......
Goodbody £1	[illegible]	......
Goulding	48½	......
Heiton (Hldgs.)	[illegible]	......
Irish Distillers	109	......
Irish Wire Bds.	[illegible]	......
Jacob	46	......
Silvermines 5p	[illegible]	......
Smith Group	[illegible]	......
[illegible]	42	......
Switzer	82	......
Unidare	16	......

Craig Ship £1	34½	+1
Hal'mSh'gh 10p	11½	......
Hill (Chas.) £1	144	......
Kleen-e-ze	48½	......
Lovell's Ship £1	90	......
Lye Tr'ding 10p	25	......
Pearce C. H.	42½	......
Penarth, Eng.	56	......
Sindall (Wm.)	87 xd	......
Smith (Herm.)	10	......
Supra Chem.	45	......
Vincent (H.)	44½	......
Watsham's	15	......
Wykes Leis 10p	28	......

NORTHERN EXCHANGE

Albany Inv. 20p	9	......
Ash Spinning	[illegible]	......
Belgrave M 20p	5	......
Bibby & Baron	37½	+2½
Booth Cons. 10p	15	......
Brady (G.)	92	......
Bradme (T. & J.)	40	......

Higsons Brew.	115½	—1
Hindson Rd 20p	49	......
Holt (Joseph) £1	470	......
Ingham (G) 10p	105½	......
I.O.M. Stm. £1	115	......
Ketton Cem. £1	405	......
L'pool Grain £1	110	+15
Man. Canal £1	252	+1
Moss H. & Son	[illegible]	......
Nicholas Vim.	115	......
Nthn. Gldsmth.	57 xd	......
P.M.A.	80	......
Peel Mills	11½	......
Sayer Conf 12½p	48½	......
Swan Ln Sp 12½p	15	......
Tavern Rut 20p	50	......
Tyzack (W) 10p	25½	......
Utd. Cttle Pd £1	510	......
Wood (Ed.)	4½	......
Wo'dw'd H 12½p	52½	......
Yorks Spin 20p	15	......

SCOTTISH EXCHANGE

I'll be around a long time yet—Wilson

MR. HAROLD Wilson hinted yesterday that he expected to be active on the political scene for a long time to come despite the recent speculation about his future.

Speaking at a Press conference to launch his book, The Labour Government 1964-1970, he said: "I shall have some very interesting stuff to write in 20 years' time about the political history of our age."

He defended his interpretation of the events in the book and also the right of a former Prime Minister to publish such an account while still Leader of the Opposition.

"I wanted to get the book out as quickly as possible so that as many people as possible could read the real facts as I saw them," he said.

He declined to answer further questions about his earnings from the book other than to comment that the second payment for it would be used to finance the running of his personal office in the same way as the first payment.

Mr. Wilson strongly defended his criticism of Mr. Ian Smith, the Rhodesian Premier, and said: "The fact is that anything I have said about him does not compare with the words he used at the time about my colleagues and myself."

He also defended his account of how Mr. Christopher Mayhew, Labour MP for Woolwich East, had resigned as Navy Minister. In a letter to The Times yesterday, Mr. Mayhew complained that the book gave a misleading impression of the event.

Mr. Wilson commented: "I stated the facts as I saw them and as certain others saw them."

A crowd of shoppers gathered at the Claude Gill bookshop in Oxford Street, London, to see Mr. Wilson autograph copies of the book following his Press conference.

In Belfast yesterday, Mr. Wilson's account in the book of his discussions in August, 1969, which led to the army assuming responsibility for Ulster security was disputed by Lord Moyola who, as Major Chichester-Clark, was Stormont Premier at the time.

Lord Moyala said that at the crucial meeting on August 19, Mr. Wilson did not propose, nor was it accepted, that the "B" Specials should be disbanded. All that was agreed, he claimed, was that the Specials would not be used for riot or crowd control as the army had moved in to the streets.

The official decision to disband the Specials came when Stormont accepted the recommendation of the Hunt Committee in October, 1969. Lord Moyala said that more than any other single decision that undermined his political position.

Determined

But, he stated, London was determined that the Specials should go and would have done it over the head of the Stormont Government if necessary.

He also contested Mr. Wilson's suggestion that the Hunt Committee, whose report led to the reorganisation of the police, was set up at the insistence of the British Government.

"Mr. Wilson's memory is at fault here," he said. "Northern Ireland Cabinet records show that we had taken the decision to establish such an investigation before going to London."

Yahya sets up body to study Pakistan's growth

BY OUR OWN CORRESPONDENT KARACHI, July 26.

PRESIDENT Yahya Khan has appointed a committee to identify the causes of recent "stagnation and slow growth of industrial production" in Pakistan. The committee will be headed by a Planning Commission's chief economist and will accept the constraints and limitations of a present import policy.

It will take three major groups of industries for study, namely cotton textiles, jute textiles and the capital goods. Later on it is expected to expand its scope to cover other industries. The President's action meets demands from the private sector which had been calling for a review of policies being adopted for major industrial sectors of Pakistan's economy.

The President's Economic Adviser, Mr. M. M. Ahmed, admitted yesterday that the movement of foodgrains was presenting a problem in East Pakistan. He said there was not enough food in certain areas, and the foodgrains had to be moved faster to the consuming centres.

A problem connected with the movement of foodgrains was the full restoration of the transport system. The restoration of the road and railway network would take some time—which was why the Government was strengthening the river transport system by providing coasters.

Mr. Ahmed expressed the hope that Khulna and Karachi shipyards would be able to construct rivercraft before the U.S. withdrew its coasters.

● East Pakistan leaders who in April broke away from West Pakistan an dproclaimed the independent state of Bangla Desh, in London announced the international distribution from Thursday of their first issue of postage stamps.

The announcement was made at a House of Commons reception by Mr. Justice Abu Sayeed Chowdhury, Vice-Chancellor of Dacca University. Mr. Justice Chowdhury, described as theambassador abroad for the People's Republic of Bangla Desh, said these stamps would replace the *Pakistan stamps overprinted* "Bangla Desh" now being used in Bangla Desh territories.

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 20	Aug. 22	Oct. 14	Oct. 26
Aug. 3	Sept. 5	Oct. 28	Nov. 9
Aug. 17	Sept. 19	Nov. 11	Nov. 23

Active trading conditions prevailed yesterday in the Option market. Stocks dealt in for the "call" were "Lofs," Minster Assets, News International, British Leyland, Aberdare Holdings, Furness Withy, Thorn Electrical "A," National Westminster, Barclays Bank, Beecham, Shell Transport, "Gussies" "A," Trust Houses Forte, Laporte, Beaumont Properties, Elsburg, Kloof Gold, Turner and Newall, Slater Walker, Debenhams, Watney Mann and Charterhouse Group.

"Puts" were taken out in Bydand and Qualitex, while double options were completed in Furness Withy, British Petroleum, Hodge Group and English China Clays.

Prices in pence unless otherwise stated.

Industrials						Mines	
A. P. Cement	18	G.U.S. "A"	19	Rank Intl.	12	Anglo Amer.	25
Barclays Bank	25	Guardian	14	Slater Walker	20	Broken Hill Prop.	62
Beecham	18	Guest Keen	30	Tesco	5	Charter Cons.	22
Boots Drug	11	Hawker Sidd.	17	Thorn "A"	20	Charterhall Fin.	[illegible]
Bowaters	15	Hay's Wharf	20	Tube Invs.	22	Cons. Gold	17
B.A.T.	20	House of Fraser	13	Unilever	20	De Beers Def.	16
British Leyland	3	I.C.I.	14	Utd. Drapery	12	F. S. Geduld	52
British Oxygen	5	"Imps"	6	Vickers	7	Great Boulder	20
		I.C.L.	17	Woolworth	5	Hampton Areas	15
		Int. Stores	7				

SHARE INFORMATION SERVICE: NOTES

SPECIAL LIST

JULY 26 (NIL)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

CORAL INDEX

Close 405-410

NEW 'HIGHS' AND 'LOWS' FOR 1971

NEW 'HIGHS' (284)

NEW 'LOWS' (8)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	26	4	18
Corpns., Dom. & Foreign Bonds	18	10	105
Industrials	353	237	923
Financial & Prop.	156	67	270
Oils	14	3	15
Plantations	6	12	70
Mines	22	22	102
Recent Issues	24	18	77
Totals	659	373	1,599

BRITISH FUNDS

1971 High	1971 Low	Stock	Closing Price £	+ or −	Gross Yield pc Int'rest £	Gross Yield pc Redemption £
		"Shorts" (Lives up to Five Years)				
99¾	97	Gas 3½pc '69-71	99⅝	......	3.51	5.53
100	99	Exchequer 6½pc 1971	100	......	6.74	5.57
100½	98	Conv. 6pc 1972	100 xd	−⅛	5.98	5.57
98	96	Gas 4pc 69-72	98⅝ xd	......	4.06	5.63
100⅝	97	Exchequer 6¼pc 1972	100 xd	......	6.21	5.67
101	98	Exchequer 6¾pc 1973	101	−1/32	6.66	5.76
96	92¼	Electric 3pc '68-73	95¾	......	3.13	5.67
96	92	Transport 3pc '68-73	95¾	......	3.13	5.67
97	95	Conv. 5¼pc 1974	97	......	5.40	6.32
101	96	Treasury 6¾pc 1974	101	......	6.67	6.34
91	84	Funding 3pc '66-75	89 xd	......	3.33	5.82
96	93	Treas. 6% 1975	98⅝	+ 1/16	6.09	6.50
99⅛	95	Exch. 6½pc 1976	98 xd	+ ⅛	6.60	6.91
		Five to Fifteen Years				
98¼	94¾	Victory 4pc 1976	96½ xd	......	4.13	5.28
99½	97¼	Funding 4pc '60-90	97¾	......	4.13	5.25
100½	95½	Treasury 6¾pc 1976	97¾ xd	−⅛	6.63	6.95
88	80	Electric 3pc 1974-77	87⅝	......	3.47	5.84
88	81	Transport 4pc '72-77	87⅝	......	4.58	6.47
91¼	83⅝	Exchequer 5pc '76-78	90⅜	......	5.64	7.03
85	70⅝	Electric 4¼pc '74-79	84⅜	......	5.11	6.98
80	70¾	Do. 3½pc '76-79	79	......	4.47	6.98
78¾	69	Treasury 3½pc '77-80	77½	−¼	4.54	7.00
88	76	Funding 5¼pc '78-80	87¼	+¼	6.06	7.31
76	67¾	Treasury 3½pc '79-81	75½ xd	+¼	4.62	7.04
104	93	Do. 8¼pc '80-82	101¾	+½	8.37	8.25
85	71	Funding 5½pc '82-84	82½	+¼	6.67	7.73
		Over Fifteen Years				
101⅝	90¼	Treasury 8½pc '84-86	100	+¼	8.53	8.65
86¾	76	Funding 6½pc '85-87	85	......	7.78	8.41
56⅞	47⅝	Transport 3pc '78-88	55⅞	+⅛	5.38	7.74
71	61¼	Treasury 5pc '86-89	69¼	+¼	7.37	8.50
75⅞	67	Funding 5¾pc '87-91	74	−¼	7.96	8.72
75	66⅝	Funding 6pc 1993	74	+¼	8.35	8.94
100	93⅞	Treasury 9pc 1994	98¼	+½	9.33	9.37
43¼	41⅝	Gas 3pc '90-95	48¼	+¼	6.30	7.94
101	95	Treas. 9pc '92-6	99¼	+¾	9.39	9.44
49¼	41	Redmptn 3pc '86-96	48¼	+¼	6.34	7.81
95⅝	90¼	Treasury 8¾pc 1997	93 xd	+⅝	9.32	9.39
95½	94½	Treas. 8¾pc 1997 "A" ●	93¾	+¼	9.37	9.43
79½	72½	Treasury 6¾pc '95-98	77¾	+½	8.86	9.15
46	40½	Funding 3½pc '99-04	45¼	+¼	7.74	8.47
65	57¾	Treasury 5½pc '08-12	64	+¼	8.88	9.03
		Undated				
44⅞	40¼	Consols 4pc	42¾ xd	+¼	9.34	—
40½	36	War Loan 3½pc	38⅜	+¼	9.25	—
40	36½	Conv. 3½pc '61 Aft.	39½	+¼	9.18	—
35	31	Treasury 3pc '66 Aft.	33	+¼	9.36	—
28	25½	Consols 2½pc	27¼	+¼	9.22	—
28⅜	25	Treasury 2½pc	27¾	+¼	9.28	—

● "Tap" Stock

INTERNATIONAL BANK

1971 High	1971 Low	Stock	Closing Price £	+ or −	Int'rest £	Redemption £
95¼	87	5pc Stock '69-74	94¾	......	5.73	5.65
78¾	69½	5pc Stock '77-82	76½ xd	......	6.51	8.25

CORPORATION LOANS

1971 High	1971 Low	Stock	Closing Price £	+ or −	Int'rest £	Redemption £
90	87	Belfast 6pc '75-76	90	+¼	6.66	9.19
99	95½	B'ham 2½pc 69-71	99	......	2.52	6.69
97½	86	Bristol 6½pc '75-77	93¾ xd	+¼	6.93	7.90
89¾	80⅝	Essex 5½pc '75-77	89	+¼	6.21	7.95
95¾	85	G.L.C. 6¾pc 1976	95¾ xd	......	7.03	7.72
100¼	90	Do. 7¼pc 1977	96¾ xd	......	7.47	7.86
82½	75	Herts 5½pc '77-80	81¾	+¼	6.50	8.37
95	88	Liv'pool 5½pc '71-75	92¾	−¼	5.93	7.57

[Remaining listings on this page — the rest of Corporation Loans, Commonwealth and African Loans, Public Board and Other Loans, Corporation Short-dated Bonds, Foreign Bonds & Rails, London U.S. Dollar and DM Issues, Americans, Canadians, Banks and Hire Purchase, Hire Purchase etc., Beers Wines and Spirits, Building Industry Timber & Roads, Building Industry—Continued, Drapery and Stores, Drapery and Stores—Continued, Electrical and Radio, Chemicals Plastics etc., Cinemas Theatres and TV, Engineering and Metal, Engineering and Metal—Gen. Cont., Food Groceries etc., Hotels and Caterers, Hotels and Caterers—Continued, Industrials (Miscell.) — not transcribed: illegible at available resolution]

F.T. SHARE INFORMATION SERVICE

"Recent Issues" and "Rights" Page

هكذا من الأصل

INDUSTRIAL (Miscel.)—Continued

INSURANCE

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

TEXTILES—WOOL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

UTILITIES

OILS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TRUSTS, FINANCE, LAND—Continued

TEAS—Continued

Ceylon

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

COPPER

MISCELLANEOUS

For Notes, see Stock Exchange Dealings.

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THE LEX COLUMN

Index rose 2.3 to 408.0

Alfred Herbert in the trough

In the context of the machine tool cycle, Alfred Herbert's performance in the six months to April is predictable enough, with a loss of £828,000 after £452,000 redundancy and closure costs against profits of £811,000. If an 11 per cent. sales drop to £20.9m. looks worse than the industry average, the new order intake—20 per cent. down at £19.4m.—looks usefully better on the face of it: Herbert reckons that the cycle has just about bottomed out, something which is not yet reflected in the industry figures, even though it cannot talk in terms of any improvement.

Yet the orders downturn only really got going in the third quarter of 1970 and the full impact on sales has yet to be seen. Against that, February's redundancies were reckoned to be worth at least £2m. a year in cost savings and the major redundancy payments should be out of the way. Interest payments—£627,000 in the first half—have been on a downtrend since the second quarter with declining working capital requirements, and cost escalation in raw materials should be easing back. So the second half outcome need not be much worse, and may just be better, than the first.

This is of limited relevance to a share price of 52p, which in the last four months has yo-yoed within a range of 27p and 59p. A market capitalisation of £10¼m. has little prospect of a significent earnings basis next year, and the shares remain an outright speculation.

See also Page 19

Dowty

A rise of 6p to 109p in Dowty yesterday was on the face of it a surprising reaction to the combination of a pre-tax figure of £5.03m. after a £5.05m. forecast and the news of a rights issue to come: perhaps the fact that it is a convertible which is mooted allayed worse fears. With borrowings only 20 per cent. of capital employed and interest charges a mere 9 per cent. of pre-interest profits potential equity dilution could have been easily enough avoided. However, the issue need be no more than £3m. or £4m. against a £40m. market capitalisation and meanwhile earnings per share of 8.35p imply a very modest rating with prospects "good" for further growth in profits this year.

See also Page 19

Anderson Mavor

For a share standing at 72p, a dividend increase from 5p to 7p would in itself be reason enough for a 17p jump to 89p, especially after first half profits had shown a drop from £406,000 to £208,000 pre-tax. In fact the second half figure from Anderson Mavor is usefully up at £514,000 against £483,000 for a seven month period, and this despite the fact that the loss from Mavor and Coulson has emerged at no less than £860,000 for the year as against a "reasonable" profit in 1969-70. It is the loss elimination potential here which clearly accounts for the Board's confident dividend policy.

Meanwhile the way coal has suddenly become a growth industry with a 1975 target U.K. output of 150m. tons as against the 1967 White Paper goal of 120m. tons is an acceptable argument for a status change for a group with 70 per cent. of sales going to the NCB. So a p/e of 12 is quite understandable, given the recovery prospect in hand.

See also Page 19

Inveresk

Inveresk has followed its second half 1970 losses with trading £367,000 in the red for the first 24 weeks of 1971 and the British Tissues stake bringing in a £115,000 debit. Neither figure is a surprise. U.K. paper and board consumption dropped 8 or 9 per cent. in the first five months of this year and that, with the Scandinavians keeping up the import pressure, left domestic manufacturers between 10 and 15 per cent. lower in various grades. With tissues, the story is simply one of capacity growing faster than demand, and in neither case does it seem likely that the boost to the U.K. economy will do much for Inveresk in the immediate short-term. This leaves the shares at 24½p relying on a book asset value of 84p, but the closure of 12 per cent. of U.K. industry capacity this year might be enough to keep any predators at bay.

See also Page 19

Westinghouse Brake

In recent months the market has taken a sceptical view of the effect of British Rail's heavy ordering phase on the fortunes of Westinghouse Brake; hence there was scope for the shares to rise 25p to 266p on the first half's 35 per cent. growth in profits before tax to £1.34m. That is coupled with a promise of something higher in the second six months, which presumably makes a rise from £2.23m. pre-tax to around £2.9m., a reasonable target for the full year.

In signalling, the U.K. workload should stay at a good level for a number of years, with cost escalation clauses to protect margins on the longer term contracts. Moreover the Australian and South African operations, which have probably been accounting for around a quarter of profits in the past year or two, have growth backgrounds.

Unfortunately the non-railway diversifications are having a hard time, what with the heavy electrical industry depressing the high power semi-conductor side, and a commercial vehicle slump acting against the road brakes business. However, the group is hoping for a slightly better contribution from the latter company, now owned jointly with Bendix USA. And on a possible overall earnings gain from 18.9p to some 24p a share the prospective p/e is a modest enough 11; at any rate, the shares hardly need to rely on the downside support of a net worth around 270p, though Adepton and its 11 per cent. holding is still the joker in the pack.

See also Page 18

Lombard

Australia had been sorely tried

BY C. GORDON TETHER

IT SEEMS pretty clear from the Australians' reply to Mr. Roy Jenkins' bitter criticism of the way in which they behaved about sterling in 1968 that they were not the soul of helpfulness, even if their conduct was not quite so "tough, rough and supremely selfish" as he contended. But the real point here surely is that Australia, in common with most of the other sterling countries, had been sorely tried by the self-centred way in which Britain has run the £ area system.

So it was hardly to be wondered at if, by 1968, there was a tendency to resist new British attempts to vary the rules in the U.K.'s favour—which effectively was what Mr. Jenkins was asking Australia to do—based on the strength of the argument that the rest of the area had a duty to make further sacrifices to help Britain extricate herself from her continuing financial embarrassments.

Expensive

Although the successful functioning of the sterling area system calls for the full co-operation of the overseas members with the U.K., they have never had any effective say in the running of it. Moreover, they have discovered in the process of time that the price they had to pay for the principal advantage participation conferred on them—namely access to the London capital market for development finance—was much higher than they had bargained for.

Thus the main obligation the system imposes on the overseas members is to keep the bulk of their external reserves in London. And since the value of the £ in terms of the other principal world currencies has been reduced by almost a half since the end of World War II, this has been a decidedly expensive business for those members that have had—and Australia is very much a case in point—a sizeable external reserve to express in this form.

The revolt

Matters can be considered to have come to a head after the sterling devaluation of 1967. And for a very good reason. Thus, in order to discourage them from pressing for diversification of their sterling reserves during the long crisis that preceded the cut, the Treasury had given the countries a more or less categorical assurance that their London funds were safe. It was, indeed, because he felt that he was personally so deeply implicated in this broken promise that he couldn't face them again that Mr. Callaghan resigned as Chancellor of the Exchequer soon afterwards.

The growing dissatisfaction was fanned by a great deal of talk in the U.K. of the possibility that the £ would have to be devalued again to establish it on a truly realistic basis. And it was not only Australia that began to hint that it might be necessary to undertake a massive switch of reserves from London unless the British authorities were prepared to ensure that they would be adequately protected against further cuts in the value of the £.

The revolt which ultimately resulted in the British authorities hastily offering dollar guarantees for official £ balances all round was actually initiated by Hong Kong.

Within Rules

One can understand why Downing Street became annoyed when it discovered that Australia was not ready to allow the big inflow of investment money from the U.K. that developed in 1968—mainly as a result of anxiety in this country about the durability of the £'s new $2.40 exchange rate—to be banked in London.

But since freedom for capital movements is one of the few advantages membership of the area confers on the overseas countries, Australia was not acting in a way that conflicted with the rules. She was merely resisting a new attempt by Whitehall to exploit the normal willingness of the rest of the area temporarily to relieve Britain, at times of difficulty, of the responsibilities her central position in the system imposes on her.

It would, of course, have been nice if Australia had been willing to make this new sacrifice. But one can hardly blame her for refusing, remembering what persistent British economic mismanagement had cost the overseas members—especially as there was a strong suspicion that their willingness to indulge this weakness had contributed to its perpetuation and thereby to their own discomfiture.

Little hope for unions as UCS report is made

BY ALEX HENDRY, LABOUR REPORTER

THE report of the four-man committee into the future of Upper Clyde Shipbuilders was handed to Mr. John Davies, Minister of Trade and Technology, last night. He is expected to make an announcement about the company later this week.

Mr. Davies got the report within a few hours of meeting a delegation of Scottish trade union leaders who protested vigorously about unemployment and warned that closure or contraction of UCS was not acceptable.

But the union delegation—led by Mr. Ray Macdonald, chairman of the STUC, and Mr. James Jack, general secretary—were unable to squeeze an ounce of hopeful information about UCS from Mr. Davies, or Mr. Gordon Campbell, Scottish Secretary.

Mr. Gordon Campbell

The report is expected to recommend that UCS should be restructured in a way that will hive off part of the company and concentrate shipbuilding in a smaller unit. The Government has never hidden its view that UCS is not a viable proposition in its present form.

After the meeting in London yesterday, Mr. Jack said they had been told nothing that gave them hope that the Government could, or was inclined, to meet the serious unemployment situation in Scotland. The level of unemployment—134,000—is the highest summer level since 1940 and in Glasgow the adult male rate is 10.3 per cent.

Mr. Jack said both Ministers seemed to be relying upon the recently announced public works expenditure—£33m. for Scotland—and the mini-Budget to improve the situation.

The delegation also pressed the case for a new steel plant to be built at Hunterston, Ayrshire, but were told that no decision on such a "green field" project would be made before the end of the year.

The union leaders also repeated the warning from UCS shop stewards that they will take over the yards if there is a Government decision to shut them. Mr. Jack said that what the men were saying was simply that there was work at the yards and they would fight to be allowed to do it rather than join the record number of unemployed.

Crunch coming

Andrew Hargrave writes: As the 2,600 workers at the UCS Clydebank yard returned to work yesterday after their three weeks' annual holiday, a meeting of the co-ordinating committee of shop stewards and full-time officials was called for to-day.

"We feel that the crunch is coming this week and we want to alert shop stewards as well as workers at the other yards," said Mr. Robert Dickie, convener at Clydebank. He was referring to the 4,000 workers still on holiday at the group's Govan and Scotstoun yards and at the Linthouse steel factory.

The shop stewards seemed disappointed at having had no opportunity of meeting the four advisers before submitting their report to Mr. Davies. One claimed that an assurance to this effect was given by the advisers when they began their work last month.

Advertising revenue for ITV up by nearly 14%

By Pamela Judge

ITV ADVERTISING revenue rose by nearly 14 per cent. in the first half-year, reaching £52.8m., the highest yet recorded for that period.

In January-June, 1970, according to the Independent TV Companies Association, the total was £46.3m. but that included the time when Granada was off the air because of a strike—a gap which could account for £600,000 lost revenue.

Several factors accounted for the rise. There were changes in advertising rate structures, one or two of which were raised. Generally speaking, there have been more advertisers this year and some contractors have adopted tougher policies, preferring to be "light" of advertisements rather than lower their rates.

Rates are to go up by an average of 9 per cent. this autumn.

In June, revenue was £8.3m. compared with £6.4m., an increase of £1.8m. The effect of the 1970 Granada dispute has to be taken into account.

The trend of revenue has been upwards since September. The £52.8m. exceeds the previous best level of £50.5m. in the first half of 1969, and that of £50m. in January-June, 1968.

Board row hits Trust Houses Forte shares

BY SANDY McLACHLAN

SHARES in Trust Houses Forte were hit yesterday by the week-end news of the Boardroom split between the ex-directors of Trust Houses and the ex-Forte directors. At one stage the shares slumped 11p to 112p, compared with a high for the year of 151p. At the close they had recovered to 120p for a net loss of 3p.

Following the adverse publicity caused by the dismissal of Mr. Michael Pickard as managing director (he remains on the Board), it was clear yesterday that for the time being the Board will attempt to soldier on under the joint managing directorship of the chairman, Lord Crowther, and Sir Charles Forte, the deputy chairman.

However, it is also clear that this is unlikely to form the basis of a long-term solution since Lord Crowther and Sir Charles do not see eye to eye on certain points of principle, and Lord Crowther has already said that he would like to see the reinstatement of Mr. Pickard as managing director.

It is believed that the council of trustees, which has 50 per cent. of the voting power in the company, feels that the only answer must eventually be to resolve the situation at an extra-ordinary general meeting of the company. But so far no attempts have been made by either Lord Crowther or Sir Charles to set in motion the machinery for calling a meeting.

Lord Crowther yesterday said that both sides would make the best of the situation. It is obvious that an attempt is being made to make a breathing space to allow the worst of anger and hurt feelings to subside before the situation is taken any further.

Top 200 get CBI price request to-day

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

TWO HUNDRED of the U.K.'s *leading companies will to-day* receive a request from the Confederation of British Industry for a firm assurance by August 6 that they are prepared to support the CBI's initiative on voluntary price restraint.

Although the CBI is seeking a commitment by the companies not to increase prices by more than 5 per cent. in the 12 months from Saturday this week, except in special circumstances, it accepts that some Boards may need until the end of next week to make up their minds.

Letters from Sir John Partridge, the CBI president, to the 200 concerns were sent out yesterday. At the same time he wrote to another 11,300 smaller companies explaining that they could sign a similar undertaking to that sought from the larger groups, if they wished.

Apart from Sir John's covering letter, the 200 major groups will receive a memorandum explaining the background to the CBI decision to establish voluntary prices restraint and the undertaking, with notes attached, which they are being asked to sign.

Basically, the 200 organisations are being asked to sign a declaration that they will "avoid raising prices of products/services supplied in the U.K.; *limit any unavoidable* increase in any of their prices to 5 per cent. and, if possible, less and, where larger increases are unavoidable, limit the weighted average of price changes in the relevant range of products to 5 per cent. or less."

Companies are also being asked to time unavoidable price increases so that they took place at least 12 months after the previous one.

Statement on RB-211's future before August 6

BY RAY DAFTER

MR. FREDERICK CORFIELD, Minister for Aerospace, told the Commons yesterday that he would make a statement about the future of the Rolls-Royce RB-211 engine before Parliament rose for the summer recess on August 6.

Asked for an assurance that work would continue beyond August 8—the date for reviewing the project set by the Government in May—Mr. Corfield said it was still a matter for consultation with other parties concerned.

Both Lockheed and Rolls-Royce (1971) are hopeful, however, that work will be sanctioned after this date provided *there is a prospect of an early* American decision on loan guarantees to the aircraft manufacturer.

Mr. Corfield said that the cost of all work on the RB-211 programme from early February to August 8 would be about £30m., which the Government had undertaken to meet. As well as development, this included production, which was already well advanced. "I have set in train a review of forward estimates," he added.

Lockheed claimed yesterday that observations by scientists of the Rolls-Royce-powered TriStar indicate that the airliner will be 60 to 70 per cent. less annoying around airports than current Boeing 707 and DC-8 aircraft.

Flight tests

Mr. J. R. Thompson, manager of the acoustical staff of Lockheed, *said the prediction was* based on extensive noise measurements made during the flight test programme in the past eight months.

Sound from the aircraft's three Rolls-Royce RB-211 engines would be substantially below the new levels permitted by the U.S. Federal Aviation Authority. At take-off, the new permitted limit is 105.6 perceived noise decibels, while the sound from the TriStar is 97.8 PND. On approach, the TriStar produces 102.3 PND. compared with the limit of 107 PND.

When the aircraft is operating at less than its top take-off weight on many European routes, the noise level should be reduced by a further five to 10 decibels.

Lockheed says that the quietness springs directly from several advanced features of the engines. Five times as much air passes at low velocity and low *temperature through the engine* fan than through the core of the engine. This reduces the volume of high velocity jet exhaust, which is the primary source of noise in previous engines.

Bamberg may start cargo airline

By Ray Dafter

Mr. Harold Bamberg, chairman of Eagle Aircraft Services, confirmed last night that he was investigating the possibility of setting up a cargo airline to serve principally the Far East.

"We are looking very closely at this but no final decisions have been made," he said adding that a decision may be made later this year.

The tentative proposals foresee the airline using a fleet of Boeing 707s, I understand. Mr. Bamberg, former chairman of British Eagle International Airlines, which collapsed in 1968, has already set up an embryonic air operating company, Eagle Flying Services which flies two Beech passenger aircraft within the U.K.

Mr. Bamberg did formally announce yesterday that Eagle Aircraft Services had been appointed sole distributor in the U.K., Switzerland and West Germany for the Lockheed Jet-Star, the four jet-engined corporate aircraft. The company is also the U.K. distributor for the Beech range of aircraft.

Continued from Page 1

Europe: George-Brown's views

and, I expect, a bore to those who hear it.

"This Government claims to have played the hand which we prepared for the negotiating table. We must have been pretty good at preparing and they must have stuck awfully close to our brief, because it has worked out pretty well exactly as we thought it would."

About the Labour Cabinet meetings when he and Mr. Wilson convinced Ministers "to accede to the Treaty of Rome if acceptable terms could be negotiated," Lord George-Brown said: "It is fair to say that some were never persuaded, but we did persuade the majority and we did it on both economic and political grounds. I think Mr. Wilson was rather more persuaded by the economic and I by the political considerations."

On their tour of Europe, he said that he and Mr. Wilson had seen that the really difficult issues with the Six were fewer than they had expected and that, on the really troublesome ones, solutions which could be acceptable appeared to be available. "This was a view we jointly formed," he said.

Lord George-Brown did not refer directly to Mr. Wilson's statement last week that he, as Foreign Secretary, had pressed for a transitional period for New Zealand of "more than 20 years" when they went to Luxembourg in 1967. But he had this to say about their view of the terms which "we thought then" would be right and acceptable: "One always tried for more, but we were prepared for these terms (in the present Government White Paper)."

In the Commons, MPs concluded their four-day debate on the White Paper with speeches by Mr. Anthony Barber, the Chancellor, Mr. Reginald Maudling, the Home Secretary, and Mr. Michael Foot, for the Opposition.

Mr. Barber claimed that the abolition of tariffs would trigger off trade expansion and industrial change, but in a sparkling speech Mr. Foot said he could see no reason why his constituents should subsidise inefficient French farmers.

Mr. Denis Healey, "shadow" Foreign Secretary, said there was no chance of entry bringing Britain the benefits which were expected without a change of Government policy far more radical than the Conservatives could hope to or wish to achieve. This was why acceptance of the terms could be a disaster without a General Election.

Mr. Maudling told MPs the argument against entry based on the terms negotiated was a "bogus argument." If the Opposition was now saying the terms were not acceptable, "their whole enterprise in trying to enter themselves was bogus from the start," he said.

BR discusses holding down rail fares

BRITISH RAIL is discussing with the Department of the Environment the implications of complying with the CBI appeal to hold price rises to 5 per cent. which the Government wants nationalised industries to follow.

The talks could affect the proposals *for a 25 per cent. increase* in rail fares due to start in London and the South East around March next year.

A British Rail Board spokesman said last night that the talks had been going on since Mr. Barber's mini-Budget last week.

Employees feel impact of big rise in bank charges

BY MICHAEL BLANDEN

EMPLOYEES of many large companies and institutions are being faced with the sharply increased bank charges brought in at the beginning of this year. The increases in the group terms, pioneered with ICI in 1959, were announced in November.

Only now, as the first half year's charges are being debited to customers' accounts, is the impact becoming clear to many *employees who have in the past* enjoyed cheap banking.

Apart from those employed by ICI and other companies which have set up special schemes under the group arrangements common to all banks, these include many customers who have enjoyed the benefit of special arrangements negotiated by their employers individually. In some cases, this has meant employees paying no bank charges at all if they kept their money with the same bank as their companies.

Prudential Assurance employees, for example, have now had to start paying a basic charge for their banking facilities. Bank managers have been getting complaints from customers being billed at the new rates, and expect this to go on for a month or two as more accounts are sent out.

Under the new arrangements, the concessionary charges offered under group schemes were increased by up to three times—from 25p to 75p for up to 30 withdrawals in each half-year on an account with a minimum balance of £50, and from 50p to 150p for accounts between nil *and £50. The 30 free* withdrawals each half-year for accounts with a minimum balance of £100 remained unchanged.

The new charges, still a good deal cheaper than normal rates, are designed essentially to be the minimum level which the banks will accept. Other arrangements outside the major group schemes are also being reviewed by the banks.

Some companies, it is understood, have attempted to soften the *blow for employees.* The banks, however, are apparently standing firm on the need to establish more economic levels of charges for their current accounts, which in the last few years has affected all their customers.

Weather

U.K. TO-DAY

Pressure is high to the N. of Britain and a rather flat trough of low pressure is slowly moving over E. England. Wales, W. and N. England will be rather cloudy and mostly dry but some light rain or drizzle is likely at first, chiefly in E. areas and over hills. Some brighter spells are likely, particularly in W. parts. It will be mostly rather cool.

S.E. England, E. Anglia, Cent. S. England will have sunny spells and scattered showers, but it may become rather more cloudy later. Temperatures will be near normal.

N. Ireland and Scotland will be mostly dry and rather cloudy, but some sunny spells are likely mainly in W. areas. It will be rather cool.

London; S.E., Cent. S. England; E. Anglia; E. Midlands; Channel Isles

Sunny spells, scattered showers. Wind S.W. light.

E., Cent. N. and N.E. England; Borders

Mostly cloudy, occasional drizzle, some hill fog. Wind N.E. light. Max. 18C (64F).

W. Midlands; S.W. and N.W. England; Wales; Lake District

Rather cloudy, perhaps rain early, some bright spells. Wind variable or N.E. light.

Isle of Man; S.W. and N.W. Scotland; Glasgow; Argyle; N. Ireland

Mostly dry, some sunny spells. Wind N.E. light. Max. 17C (63F).

E. Scotland; Edinburgh; Cent. Highlands; Dundee

Cloudy, occasional drizzle. Wind N.E., light or moderate. Max. 13C (55F).

Caithness; Orkney; Shetland

Dry, cloudy. Wind N.E.

Outlook: Generally dry and warm at first but rain spreading to W. areas and scattered thunderstorms in Cent. and E. areas later.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	S	23	73	Madrid	S	30	[illegible]
Bahrain	S	36	96	Manchestr.	F	20	[illegible]
Beirut	C	27	81	Melbourne	R	8	[illegible]
Belfast	C	18	64	Mexico C.	C	20	[illegible]
Belgrade	S	28	82	Montreal	S	29	[illegible]
Berlin	F	28	82	Moscow	C	19	[illegible]
Birmghm	F	22	72	Munich	F	27	[illegible]
Bristol	Sh	19	66	Newcastle	C	16	[illegible]
Brussels	S	25	77	N. York	C	24	[illegible]
Budapest	F	28	82	Oslo	C	10	[illegible]
B. Aires	S	14	57	Paris	F	26	[illegible]
Cairo	S	34	93	Prague	F	30	[illegible]
Cardiff	Sh	20	68	Reykjavik	R	11	[illegible]
Cologne	F	25	77	Rio de J'o	S	26	[illegible]
Copnhagn	F	21	70	Rome	F	30	[illegible]
Dublin	Sh	17	63	Singapore	R	27	[illegible]
Edinb'rgh	C	15	59	Stockholm	C	25	[illegible]
Frankfurt	F	23	73	Strasbourg	C	27	[illegible]
Geneva	S	28	82	Sydney	S	14	[illegible]
Glasgow	F	17	63	Tehran	S	30	[illegible]
Helsinki	S	27	81	Tel Aviv	S	22	[illegible]
H. Kong	C	31	87	Tokyo	R	34	[illegible]
Jo'burg	S	17	62	Toronto	C	23	[illegible]
Lisbon	F	21	70	Vienna	S	28	[illegible]
London	F	22	72	Warsaw	F	22	[illegible]
Luxembrg.	F	22	72	Zurich	S	27	[illegible]

HOLIDAY RESORTS

Ajaccio	S	27	81	Istanbul	F	27	[illegible]
Alxndria	S	28	82	Jersey	S	21	[illegible]
Algiers	S	29	84	Las Plms	S	25	[illegible]
Athens	F	29	84	Locarno	S	27	[illegible]
Barcelona	S	27	81	Luxor	S	37	[illegible]
Biarritz	S	26	79	Majorca	S	30	[illegible]
Blackpool	S	20	68	Malaga	S	27	[illegible]
Bordeaux	S	25	77	Nairobi	C	17	[illegible]
Boulogne	S	20	68	Naples	S	31	[illegible]
Casablnca	S	25	77	Nice	S	24	[illegible]
Cap Tn.	S	15	59	Nicosia	S	31	[illegible]
Corfu	C	31	88	Oporto	S	21	[illegible]
Dubrovnik	S	29	84	Rhodes	S	28	[illegible]
Faro	S	25	77	Salzburg	S	28	[illegible]
Funchal	S	24	75	St. Moritz	C	22	[illegible]
Gibraltar	S	26	79	Tangier	S	25	[illegible]
Guernsey	S	18	64	Tunis	S	28	[illegible]
Innsbruck	S	27	81	Valencia	S	28	[illegible]
Inverness	D	11	52	Venice	S	30	[illegible]
I of Man	C	16	61				

S—Sunny. F—Fair. R—Rain. C—Clou
St.—Stormy. Sh.—Showers. D—Driz